FBIS DAILY REPORT

MIDDLE EAST & SOUTH ASIA REVIEW

1 AUGUST 1985

Iraq

President Saddam Husayn announced his intention to personally attend the emergency Arab summit conference in a statement to Kuwait's *AL-SIYASAH* cited by INA, though he added that he may send a personal representative instead if the military situation obliges him to stay in Baghdad. He expressed confidence about Iraq's economic future, noting that Iraq will begin exporting half a million barrels of oil daily via the Saudi pipeline in September and that Iraq's exporting capacity will be further augmented by an agreement with Turkey to build a new pipeline. As for the war with Iran, Saddam Husayn said Iraq's only aim is to prevent Iran from occupying its territory and advancing toward the Gulf, and he reaffirmed that Iraq is not seeking a victory over Iran that would allow it to expand at Iran's expense.

Meanwhile, talks between Saddam Husayn and Jordan's King Husayn focused on the Iran-Iraq war and the agenda of the Arab summit, INA disclosed in a report on the king's brief visit to Baghdad 31 July.

Syria

A spokesman claiming to represent the secret "Eagles Front" told Voice of Lebanon radio that his organization was responsible for bombing the SANA offices in Damascus, adding that the group carried out two other bombings in the Syrian capital at undisclosed locations. Monitored Syrian sources have not been observed to report the attacks, though INA reported a "violent" explosion occurred either inside or outside the SANA offices.

Lebanon

After meeting with former President Sulayman Franjiyah in Ihdin, Lebanese Forces Executive Committee Chairman Elie Hubayqah spoke of "agreement on all the issues discussed" and expressed hope that the "positive signals" resulting from the talks with Franjiyah will solve inter-Christian and inter-Lebanese problems. In his remarks, which were broadcast by Franjiyah's Radio of Free and Unified Lebanon, Hubayqah also disclosed that they had agreed on "certain moves" to cope better with Lebanese developments.

Libya

Colonel Mu'ammar al-Qadhdhafi telephoned 'Ali Nasir Muhammad, chairman of the PDRY Supreme People's Council, and Saudi Arabia's King Fahd to discuss the U.S. "invasion" of Egypt in the form of the "Bright Star-85" military exercises, Voice of Greater Arab Homeland radio reported. Tripoli radio castigated the exercises, claiming that they are intended to "terrorize" the Egyptian people and render Egyptian territory an "advanced base" for achieving "aggressive" U.S. objectives in the Arab region.

Hajj Issues

The Iranian Ministry of Islamic Guidance, in a statement reported by Tehran radio, rejected a call by the World Muslim League secretary general reported last week by Riyadh radio reminding pilgrimage delegations to refrain from demonstrations and using the pilgrimage as a platform for religious or political differences. The ministry statement called the World Muslim League's position a "link in a chain of plots by the world aggressors and their lackeys" being hatched against Islam and Muslims. Emphasizing Iran's struggle against blasphemy, heresy, and Zionism, the statement said the hajj pilgrims will show their "rejection and hatred" toward world aggressors and Zionism in Medina and Mecca.

Meanwhile, flights transporting Afghan hajj pilgrims were suspended due to "obstacles" created by Saudi authorities, according to a DRA Council of Ministers source cited by Kabul radio.

Pakistan

Pakistan summoned the Afghan charge d'affaires and rejected a protest lodged 29 July that Pakistani forces shelled a residential area in Barikowt, killing one and injuring two, Karachi radio reported.

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Fatah's Al-Hasan Interviewed by Kuwaiti Press

GF010600 Kuwait AL-ANBA' in Arabic
30 Jul 85 PP 6, 7, 8

[Interview with Khalid al-Hasan, member of the Fatah Central Committee and head of the foreign relations committee of the Palestine National Council, by the newspapers *AL-ANBA'* and *AL-SAKHRAH* — place, date not given]

[Excerpts] [Question] The power of any movement in its political talks depends on its intrinsic power, whether this is military or political power. Thus, how do you evaluate the PLO's negotiating ability in light of the current standards?

[Khalid al-Hasan] The strength in negotiations is the clarity of views and willpower because you can participate in negotiations or stop. It is up to your own will; you can agree or refuse. Of course, these are not negotiations for unconditional surrender, or conditions set when a side is defeated in war.

Naturally, we insist on the participation of all Arab sides, because this helps the balancing process. No doubt if there had been Arab solidarity and a central pan-Arab leadership — as was the case with the unified Arab leadership in 1964 with military power inside the Arab world for Palestine — if Iraq had not been engaged in its war with Iran; if Syria had not been in a state of enmity with Iraq, the PLO, and a large number of Arab countries; if Libya had not been in its current situation; if the Arab situation had not been as it is now; and if there had been a real solidarity on the military and economic levels, then the balance would have been very clear.

For example, Al-Sadat should have entered into negotiations right after the 1973 war while he had the afterglow of victory. But because his position was not clear, the United States and the Zionist enemy held him back until the negotiations were held in 1979, the Zionist army was able to regain its power and became superior to the Egyptian Army while the glow of the Arab victory against the Zionist army disappeared. Thus, the negotiations were no more than a set of negotiations among the victorious with the one who was defeated. The balance therefore was changed.

[Question] Regarding the recent move to form a delegation in order to hold a dialogue with the United States, why was it necessary for the delegation members to be non-PLO personnel?

[Al-Hasan] Who said that? These people are Palestinians. We should not forget that in the charter every Palestinian is regarded as a natural member of the PLO. Suppose we needed advisers from Arab, Pakistani, or other nationalies in the future, wouldn't these advisers whom you are appointing represent you? And what does representation mean? It means that the delegation should represent you. When you adopt a decision to form this delegation you have the ability to cancel or withdraw its representation any time you like.

Regarding the names that were proposed from the occupied territories, those names were chosen from inside, the leaders inside the occupied territories met and chose some of those names. All of them are members of the Palestine National Council [PNC] whenever they have the chance to attend the PNC meetings. We should not fall in the trap that is being prepared by Peres, who said that he was surprised that so and so were not members of the delegation in order to cause division.

Any Palestinian who is appointed by the PLO and is committed to his appointment, and whose appointment is not cancelled by the PLO, represents the PLO. Another point is sovereignty, which is not a question of delegations. Sovereignty is a question of who says no or yes and who can form the delegation and give it authority; this constitutes sovereignty. Anyway, we say no to direct negotiations and yes to an international conference with the participation of the Soviet Union. Our position is important.

[Question] Is there any intention to transfer the PLO office to Amman?

[Al-Hasan] Not now. The offices of the leadership are in Tunis and will remain in Tunis.

[Question] There has been a call for an Arab summit while Arab solidarity does not exist. What are the obstacles in your view?

[Al-Hasan] Nobody knows the reasons for Arab contradictions. There is a strange phenomenon in the Arab situation. Whenever matters become critical and everyone thinks that the Arab situation has deteriorated, the Arabs hold a new meeting quickly. It is important for Arabs to know that their various relations with the superpowers may be contradictory but they should also know that there is something called the Arab interests. There should be coordination among them within a definite plan. This has been missing so far because of the monopolization of one leadership over another, monopolization of views, monopolization of what is correct and what is wrong.

[Question] Why does Syria oppose the joint Palestinian-Jordanian move?

[Al-Sahan] Now Syria has announced it is ready to negotiate on the basis of the Fes conference. This rejection is an expression of internal dispute. The matter is very clear with me. Syria's priorities at the moment have changed. Lebanon has become the first priority. According to what was said by 'Abd al-Halim Khaddam, the Palestinian issue is not urgent and the Syrian effort is being exerted toward Lebanon. The Syrian stance toward the PLO will not change until the Lebanese problem is solved.

[Question] Is it true that Britain refused to receive the joint Palestinian-Jordanian delegation?

[Al-Hasan] Britain did not refuse to accept the delegation. Britain agreed but it did not fix a date. I believe that the date will be fixed through negotiations with the United States. The European stance adopted a decision to meet with the Jordanian-Palestinian delegation but Britain abides by the U.S. stance more than it abides by the EEC stance.

Palestinian Criticizes Syrian Tanks to Amal

JN311747 Baghdad Voice of PLO in Arabic
1615 GMT 31 Jul 85

[Text] The Syrian regime handed the agent Amal militias 50 Soviet T-54 tanks yesterday to reinforce the Amal movement's military force within the framework of a plan to carry out the second round of the camp war in Beirut. Informed sources in Beirut, which issued the report, asserted that a number of these tanks took combat positions around the Palestinian camps in Beirut, and other tanks were moved to southern Lebanon and took combat positions on the hills overlooking 'Ayn al-Hulwah near the capital of southern Lebanon, Sidon.

In a statement on this report, a responsible Palestinian source stressed that this step points to the escalation of the capitulatory plot aimed at liquidating the Palestinian presence in Lebanon. The following is the text of the responsible Palestinian spokesman's statement:

In the wake of the criminal operation carried out by the Syrian regime's organs in the Sidon area, in which four of our strugglers were killed, and after discovering the bodies of 23 Palestinians in the Beirut area — which points to the continuation of the conspiracy against the Palestinian presence in Lebanon — and as a step aimed at escalating tension, the Syrian authorities gave a number of tanks and heavy weapons to its agents in the Amal movement in preparation for the coming round planned for the area of the camps and West Beirut.

The Syrian regime, which continues its capitulatory role, feels that it is in a race with time and is required to accomplish its liquidation mission as soon as possible. This regime is preparing for its next round and believes that it can successfully carry out its designs before the convocation of the Arab summit, which constitutes a great pan-Arab declaration on the failure of the Damascus regime and the ebb of its role of blackmail in the Arab arena.

The Syrian regime believes that through its crimes it can convince the Arabs and the world of the effectiveness of its role in Lebanon. However, the series of crimes has proved to the world that the Damascus regime can terrorize and make one party clash with another as well as turn Lebanon and Beirut into a bloodbath, but, in reality, it can no longer control the situation or impose any solution to the exacerbated situation in Lebanon.

Our masses in the camps in Beirut, Sidon, and Tyre as well as in the north and Al-Biqa' will defend their existence. Our masses will link their fate and decisions with those of the honest Lebanese who realize the seriousness of the Syrian-Israeli-U.S. agreement on Lebanon. Our masses will resist this agreement with all their ability to safeguard the one Arab Lebanon and the prestige and souls of Lebanon's citizens and guests, the Palestinians, as well as to prevent the sectarian monster from destroying Lebanon and the Arab region.

Palestinians in Damascus Assail Amal, 6th Brigade

JN311842 Paris Radio Monte Carlo in Arabic
1730 GMT 31 Jul 85

[Text] In Damascus, the spokesman of the Palestine National Salvation Front, Khalid 'Abd al-Majid, asserted that the Lebanese Army's 6th Brigade is still besieging the Palestinian camps in Beirut and carrying out an intensive arrest campaign against the people of the camps. The salvation front asked the Amal movement and the Democratic National Front to carry out their responsibilities, implement the provisions of the Damascus agreement, and end provocations and repressive actions against the Palestinians.

Salih Zaydan, member of the leadership of the Democratic Front for the Liberation of Palestine, also believes that several provisions of the Damascus agreement to end the war of the camps have not been implemented, adding that about 400 Palestinians are still being detained by the 6th Brigade and the Amal movement. Zaydan pointed out that the Amal movement arrested him during the war of the camps on 19 May and released him 2 months later.

'Arafat Sends Message on Mideast to USSR

LD312013 Kuwait KUNA in Arabic 1755 GMT 31 Jul 85

[Text] Tunis 31 Jul (Kuna) — The Chairman of the PLO Executive Committee Yasir 'Arafat today sent a message to the Soviet leadership. Informed Palestinian sources mentioned that the message concerns the development of conditions in the Lebanese arena, the dangers threatening the Palestinian camps, and the military massing by the Syrian regime, Amal movement, and the 6th Brigade of the Lebanese Army around the Palestinian camps, in addition to the latest developments in the Arab situation in the light of the convening of the emergency Arab summit conference.

On the other hand, the PLO executive committee chairman of received a reply message from the Soviet President Andrei Gromyko on the greetings extended upon becoming president. The charge d'affaires of the Soviet Embassy in Tunis handed the message to Yasir 'Arafat when he received him today.

'Arafat, Soviet Envoy Talk

JN311822 Baghdad INA in Arabic 1810 GMT 31 Jul 85

[Text] Tunis, 31 Jul (INA) — PLO Executive Committee Chairman Yasir 'Arafat met with the Soviet Charge d'Affaires in Tunis here today. WAFA said that they discussed the situation in Lebanon, the dangers surrounding the Palestinian camps, and military concentrations around them.

Salah Khalaf Meets Austrian Ambassador in Tunis

JN311852 Baghdad Voice of PLO in Arabic
1615 GMT 31 Jul 85

[Text] Fatah Central Committee member Abu Iyad [Salah Khalaf] met with the Austrian ambassador in Tunis yesterday. During the meeting, they reviewed the latest developments in the

Palestine question as well as the current Arab situation. The meeting was attended by brother 'Abd al-Rahman Abu Hijlah, director general of the PLO Political Department.

PLO Groups Detail Anti-Israeli Actions

Grenade Attacks Launched

JN311820 Baghdad Voice of PLO in Arabic
1615 GMT 31 Jul 85

[Text] Upon instructions from the revolution's command and in accordance with its decision to escalate armed struggle in the occupied homeland, the main arena of conflict, our revolutionary heroes continue their armed operations against the Zionist enemy's troops, equipment, and establishments in the various cities, villages, and camps of our occupied Palestinian land. A military spokesman for the general commard of the Palestinian revolution forces has stated the following:

Upon instructions from the revolution's command, one of our combat groups launched a grenade attack against a Zionist military vehicle on a country road east of ('Dasani al-Kabirah) in the southern part of occupied Gaza the day before yesterday. A number of Zionist soldiers were either killed or wounded.

Another group of our revolutionary heroes launched a grenade attack against a Zionist military patrol on the eastern road of (Makudu Jabaliah al-Balad) the day before yesterday. A number of Zionist soldiers were either killed or wounded. A highly explosive charge placed by one of our revolutionary heroes went off in the Zionist settlement of (Re'nana) the day before yesterday. The settlement was seriously damaged and a number of Zionist settlers were either killed or wounded.

The enemy's radio admitted the three operations but, as usual, declined to mention its losses. It said that its forces rushed to the scenes of the operations to besiege it, launched large-scale search campaigns, and arrested a large number of Palestinian citizens on the pretext of being involved in the operations. Our combat groups managed to move away from the scenes of the operations successfully. The revolution will continue until victory.

Operation in Nabatiyah

JN311829 Baghdad Voice of PLO in Arabic
1615 GMT 31 Jul 85

[Text] In southern Lebanon, the heroes of the Palestinian-national Lebanese forces are continuing their heroic actions against the Zionist occupation forces and their agents in southern Lebanon. The heroes of the joint forces carried out a carbomb oepration today against a mechanized Zionist patrol in the so-called security belt in southern Lebanon, which is occupied by the invasion forces.

The explosion, which occurred in Arnun in the Nabatiyah area of southern Lebanon, destroyed the patrol and killed all of its occupants. The Zionist spokesman, who admitted this brave operation, said that only two Israeli soldiers were wounded and two Lebanese, including the driver of the booby-trapped car, were killed. It added that its forces besieged the area and arrested a number of citizens to question them.

Israeli Killed in Nabulus

JN010713 Paris Radio Monte Carlo in Arabic
0500 GMT 1 Aug 85

[Text] The Fatah dissidents under Colonel Abu Musa [Sa'id Musa] yesterday claimed responsibility for assassinating the Israeli civilian Albert Bukhris in the center of Nabulus. In a statement cited by WAFA in Damascus, a spokesman for the dissidents pointed out that an element of the Martyr al-Hajj Hasan group last Tuesday executed a Zionist settler who was an employee of the Nabulus civil administration while he was walking in a city market.

The Israeli radio said that Albert Bukhris, who owned a mobile restaurant to serve the Israeli Army, was murdered while buying bread from a shop in Nabulus Street.

Tunisia's Essebsi, Klibi Discuss Arab Summit

LD311909 Tunis Domestic Service in Arabic
1600 GMT 31 Jul 85

[Text] Foreign Minister Beji Caid Essebsi today conferred with the Arab League secretary general, Chedli Klibi, and discussed with him the major pressing questions prior to the meeting of the emergency Arab summit, which will be held in Casablanca in the Kingdom of Morocco on 7 August.

The Arab League secretary general said it is essential to exchange information and points of view about this important meeting, which must be well organized and whose success could open up new prospects for joint Arab action in implementing the Fes plan.

KUWAIT

PRC Military Delegation Plans Visit to Region

GF311622 Kuwait AL-ANBA' in Arabic 30 Jul 85 p 1

[Text] Paris — *AL-ANBA'* has learned that the PRC is arranging for late autumn a tour of a number of Arab countries to be made by a PRC military delegation. During the tour the delegation will propose the purchase of medium weapons of Chinese production based on Soviet designs, in addition to spare parts for MIG planes equipped with new Chinese engines.

AL-RA'Y AL-'AMM Calls for More Support to Iraq

GF311530 Kuwait AL-RA'Y AL-'AMM in Arabic 30 Jul 85 pp 1, 17

["Opinion" column by Nasir 'Abd al-'Aziz al-Fahd: "The Gulf Vis-a-vis Challenges and Danger"]

[Excerpts] In the past we believed that Iraq was the source of danger to the Gulf and the Baghdad regime was the source of trouble and disturbance. The "Shah's Iran" encouraged those suspicions and beliefs. The attempts of the "ayatollahs' Iran" until now has been to use all means and methods to encourage such views and allegations by reminding all those who might forget and by intimidating all those who feel secure.

However, the past experience will not be repeated. The reservations that have been removed by proof and events, and the continued suggestions regarding the truth of these allegations, are groundless and no one accepts them.

Iraq, which we used to fear, has now become our first line of defense, nay, it has become the faithful defender of the eastern portal of the whole Arab homeland, and an indispensable guarantee in confronting the danger creeping toward the entire Gulf region. The Iraqi defense of the Gulf has numerous requirements, demands, capabilities and energies. Although Baghdad alone has been carrying out these tasks so far, shall we permanently leave it alone in the arena?

Regional need, nay, pan-Arab necessity, urgently requires that we take part with Iraq in its capabilities and energies, by placing the capabilities and energies of the Gulf countries at its disposal so that our flesh and blood will be on its side, as long as others look forward to devouring our flesh and sucking our blood.

ARAB TIMES on Isolating 'Reckless' Countries

GF311317 Kuwait ARAB TIMES in English 30 Jul 85 p 4

["Opinion" column by Ahmad al-Jarallah: "Isolate Those who Tamper"]

[Text] King Hassan's call for an Arab summit is a wise one, and the conference sessions should be conducted in an equally wise manner. Arab discussions in the past have been harmed by some states whose nefarious activities should now be taken into consideration.

To begin with, this group should be totally isolated and there should be no further relations with them by any of the Arab countries attending the Casablanca summit. We lost Lebanon because of the malpractices of this small group. The Palestinian military machine was totally destroyed at the hands of those who are accustomed to tampering with Arab affairs. This resulted in the departure of the Palestinian forces to Tunisia, far away from Palestine.

Similarly, Iraqi cities were hit by Arab rockets, as if the aim was to get Iraq to surrender its territory in order to allow Iranian forces to enter the Gulf states. This situation was brought about by those who brazenly play with, and try to destroy Arab causes.

The Casablanca summit should herald a new beginning and Arab leaders should not hesitate to open files and put an end to all malpractices. What would happen if this reckless group were unveiled? Are their countries the source of food for the Arab world, or are they the source of terrorism? Do they have water sources for the Arab world, and if they are interfered with, will the Arab world go thirsty?

The Arab leaders who will meet in Casablanca, are capable of isolating those countries which are the cause of the trouble and which give the world a distorted picture of the Arabs. World opinion now thinks that it is the Arabs — all of them — who finance the terrorist agencies and kill innocent people. The isolation of this group will not have any effect on the Arab world.

There is nothing remaining in the Palestine question to worry about since its forces were liquidated in Lebanon, and the remainder sent to Tunisia. We have, therefore, nothing to fear.

What we need is a strong security fence, and by isolating the offenders, we will discover that we have provided our Arab people with the security to enable them to live normal lives. King Hassan's call for the summit was wise, and we should conduct the sessions wisely. Otherwise we shall face many more years in the shadows of uncertainty.

SAUDI ARABIA

Defense Minister 'Abd al-'Aziz Views Arab Summit

GF311000 Riyadh SPA in Arabic 0854 GMT 31 Jul 85

[Text] Jeddah, 31 Jul (SPA) — His Royal Highness Prince Sultan ibn 'Abd al-'Aziz, the second deputy prime minister, defence and aviation minister and general inspector, has emphasized that the kingdom will attend the emergency Arab summit scheduled to be held in Casablanca on 7 August.

In a statement to the Saudi newspaper *AL-NADWAH*, published today, he said that the kingdom's participation in this emergency summit stems from its faith in the need hold this summit at this very time owing to the existing urgent conditions in the Arab arena — such conditions that require holding such a conference. His highness indicated that there are continuous and permanent consultations with the GCC leaders. These consultations are not only designed to discuss this summit but to discuss the various issues that concern the region and the Arab world in order to

conclude a unified position. His highness wished that God will direct the leaders of the Arab nation toward the path that brings good to them and to their people.

Commentary Calls Arab Summit 'Necessity'
GF311813 Riyadh Domestic Service in Arabic
2000 GMT 30 Jul 85

["News and Comment" program by Husayn al-'Askari]

[Text] Despite the appearance of limited Arab reactions regarding the seriousness of the results of the emergency Arab summit, scheduled to be held 7 August, the more comprehensive reaction remains to be the need to hold the conference in order to soften the sharp rigidity witnessed by Arab actions for a long time. This has created and is still creating a feeling that the Arabs are incapable of facing events, although facts are totally contrary to that feeling.

Despite all circumstances, the initiative is still in the hands of Arabs. Regardless of their dissimilar views on the manner of tackling questions, the Arabs are extremely eager to have a united voice. Such a situation makes the Arabs face great and complicated responsibilities. These responsibilities are a test of their ability to influence the course of events in a way that drives them from the state of struggle against each other to the stage of confronting the external threats, which are becoming more fierce due to the absence of an effective Arab position based on the new changes following the Arab summit in Fes in 1982. At this summit the Arabs could set up the first Arab option capable of imposing itself on the international arena.

On this basis and due to the tasks entrusted to it the emergency Arab summit is a necessity imposed by the nature of the issues that should be discussed and settled. It is difficult for the Arab peoples to remain obstructed by the feeling that their problems are too complicated to be solved and that their differences have been and are still preventing them from facing facts. However, it inspires a feeling of satisfaction and confidence in the future that the Arab differences have not influenced the fundamental questions and that the views on these fundamental questions are unanimously agreed upon. This facilitates the tasks of the Arabs and consolidates their abilities to overcome many obstacles still hindering the adoption of a position that at least reflects the collective work in the absence of unanimity.

UAE

Foreign Ministry Official Leaves for PDRY
GF311320 Manama WAKH in Arabic 0935 GMT 31 Jul 85

[Text] Abu Dhabi, 31 Jul (WAKH) — Muhammad Jasim Samhan, director of the Arab Homeland Department in the UAE Foreign Ministry, left Abu Dhabi today for Aden with a message from Rashid 'Abdallah, UAE foreign minister, to Dr 'Abd al-'Aziz al-Dali, the PDRY foreign minister. WAM reported that the message pertains to bilateral relations and to the developments in the Middle East and the Gulf.

YAR

Oil, Mineral Resources Ministry Formed
GF311833 Sanaa Domestic Service in Arabic
1700 GMT 31 Jul 85

[Summary] In its session today, the YAR Cabinet ratified the bill for creating the Ministry of Petroleum and Mineral Resources in response to recent developments in the field of oil and mineral resources.

Interior Minister Stresses Cooperation Among Arabs

GF311327 Manama WAKH in Arabic 0915 GMT 31 Jul 85

[Excerpt] Abu Dhabi, 31 Jul (WAKH) — Egyptian Interior Minister Major General Ahmad Rushdi has stressed the importance of Arab cooperation in the field of security as a necessity to confront terrorism and the destabilizing efforts aimed at this region.

In a statement to UAE newspaper *AL-ITTIHAD*, published today, he said that there is actually cooperation between Egypt and all the Arab countries, in addition to written messages exchanged between the Egyptian security bodies and the security officials in the Arab countries, the continuous meetings among the Arab police delegations and the unconditional acceptance of the sons of the Arab countries in the Egyptian police institutes.

He pointed out that the absence of diplomatic representation between Egypt and most of the Arab countries did not constitute an impediment before coordination and integration in the field of security on the Arab level, particularly as terrorism threatens all the world countries without exception.

Comments on UAE, Terrorism, Riots

GF311559 Abu Dhabi AL-ITTIHAD in Arabic 31 Jul 85 pp 5, 6

[Interview with Egyptian Interior Minister Ahmad Rushdi by Sayid 'iz al-Din, *AL-ITTIHAD* correspondent in Cairo — date not given]

[Excerpts] Sayid 'Iz al-Din: What is the aspect of security cooperation between Egypt and the UAE?

Ahmad Rushdi: The security cooperation between Egypt and the UAE is good and fruitful. The UAE has become an example to be followed in the field of cooperation for achieving security for the whole Arab region, since the UAE views that the security is an indivisible issue, and that all must cooperate and exchange expertise to achieve security.

'Iz al-Din: Are terrorist operations still directed against Egypt?

Rushdi: Yes, they are still directed against Egypt. We have a lot of information and clues about terrorist operations against Egypt. We calmly deal with this information and the clues through observation and good tracing so that we are able to confront them with right and legal action.

As I said, today the terrorism is not directed against individuals or groups, but I believe it is just a kind of childplay. I mean that some act irresponsibly by terrorizing people. Such elements are cowards. They use methods that cannot be described as courageous. They act in the dark in order to inflict losses on the establishments that are the national resources of any country.

'Iz al-Din: Has the emergency law been implemented to confront recent events concerning the riots in the mosques in Egypt?

Rushdi: To date we have not used the emergency law to confront any events. As we promised, we do not use this law only for terrorism. So far the Egyptian Interior Ministry has implemented only normal laws in confronting all the secret activities inside or from outside the country.

'Iz al-Din: Perhaps the issue of implementing the Islamic laws in Egypt has imposed itself on the Egyptian political theater lately. How do you view the differences that led to the escalation of the situation?

Rushdi: The country greatly believes in the implementation of the Islamic laws. No one can stand against the Islamic laws. But the conflict is on the method of implementing the Islamic laws. They [Muslim groups in Egypt] view that the Islamic laws must be implemented immediately. Can we implement the Islamic laws in one day? We view that the implementation of the Islamic laws must be carried out gradually so that at least there would be no victims of the immediate implementation of the Islamic laws. We must gradually prepare public opinion.

'Iz al-Din: Are there any other events, such as the riots at the mosques, apart from those in Cairo, Alexandria, and Al-Fayyum?

Rushdi: No such events occurred. All that happened were small matters that have been dealt with in time. I can say that a great number of Islamic groups feel that they have acted unwisely. They fully understand the situation. Matters are beginning to return to normal.

'Iz al-Din: How many have been arrested in connection with the riots at the mosques in Cairo recently?

Rushdi: They number not more than 46 in addition to 21 who were arrested last Friday at Al-Nur Mosque. I can affirm that all the arrests and inspection measures were carried out by the state's security department and all action was under its direct supervision.

King Husayn Holds Talks, Departs Baghdad
JN311654 Baghdad INA in Arabic 1638 GMT 31 Jul 85

[Text] Baghdad, 31 Jul (INA) — King Husayn of Jordan left Baghdad today after a brief visit to Iraq. President Saddam Husayn and the king held a round of talks this afternoon during which they discussed the deep, brotherly relations between the two countries and ways to promote them in all fields. The talks also dealt with the situation on the eastern flank of the Arab homeland and Iraq's great readiness to confront any Iranian aggression, as well as issues that would be discussed during the forthcoming Arab summit conference.

INA has learned that President Saddam Husayn and the king agreed on the need to make the summit a success in order to strengthen Arab solidarity, increase the effectiveness of joint Arab action, and unite the Arab position vis-a-vis the threats to which the Arab nation is exposed, both on its eastern flank and in the occupied Arab territories.

The meeting was attended on the Iraqi side by Taha Yasin Ramadan, RCC member and first deputy prime minister, Adn Tariq 'Aziz, deputy prime minister and foreign minister; and on the Jordanian side by Prime Minister Zayd al-Rifa'i and Chief of Royal Court Marwan al-Qasim.

Saddam Interviewed on War, Summit, Terrorism
JN311350 Baghdad INA in Arabic 1205 GMT 31 Jul 85

[Text] Baghdad, 31 Jul (INA) — President Saddam Husayn has said that Khomeyni will stop his war against Iraq when he finds out that its continuation will harm him. He said that the Iranians' will to fight is weaker than before, pointing out that Iraq's only aim is to prevent Iran from occupying its territory and advancing toward the Gulf.

In a statement to the Kuwaiti newspaper *AL-SIYASH*, published today, the president asserted that Iraq is not seeking a victory over Iran that would allow it to expand at Iran's expense, adding that the continuation of the war implies surprises that are very difficult to judge now. He voiced the Iraqis' desire to end the war.

President Saddam Husayn pointed out that the Iraqis are resolved to shoulder their commitments to the war indefinitely, adding that they have no other choice than to carry arms and defend their country. The president stressed that the war has made the Iraqi citizen more patient, more intelligent, and more optimistic about life, affirming that nothing is worrying the Iraqis now. He said: He who fears for Iraq in Saddam Husayn's absence is not praising Saddam Husayn because we are supposed to be confident in Iraq despite Saddam Husayn's absence. He added: The war has reassured me more. [Words indistinct] is better than it was 2 years ago, adding that Iraq is receiving international economic aid because the world trusts its political and economic system. He said that the future of this economy is bright.

The president noted that beginning in September, Iraq will export half a million barrels of oil daily via the Saudi pipeline. In the next stage, this amount will double. We have reached an agreement with Turkey to build a new pipeline that will increase Iraq's exporting ability to the level it attained before the war.

On the emergency Arab summit conference called for by King Hassan II, the president said that Iraq would attend the summit and that he personally would attend, adding that if the situation at the front necessitated his stay in Bagdhad he would send a personal representative to the summit.

On the Syrian and Libyan attitude toward Arab issues, he said: It is an attitude of sabotage and destruction. They are killing people in Lebanon, encouraging terrorism, and supporting the foreigners against the Arabs. The president added: The unchanging part of Al-Qadhdhafi's thinking is sabotage because he lacks self-confidence. He said that Libya is following a policy of contradictions, adding that Libya sent Al-Turayki to Baghdad and received Hashemi-Rafsanjani in Tripoli within 24 hours.

The president belittled the importance of relations between Iraq on the one hand and Libya and Syria on the other. He hoped that these two regimes, which behave in a manner that prevents having even minimum relations, will change their positions vis-a-vis all Arab issues and not only toward Iraq.

On terrorism, President Saddam Husayn expects it to grow and escalate unless Iran fails to realize its aggressive aims. He added: When Iran fails in its large-scale aggression, which is the basic source of exporting the revolution, the Iranian rulers will be forced to take other actions that are less effective than terrorism in order to remind people that Iran continues to exist and that their hope of toppling regimes continues to exist. He said that Iran is relying on terrorism now that it has failed to bring about Iraq's collapse or bring the region's states to their knees.

Turkish Finance Minister Alptemocin Ends Visit
JN311155 Baghdad INA in Arabic 1030 GMT 31 Jul 85

[Excerpt] Baghdad, 31 Jul (INA) — Turkish Finance and Customs Minister Ahmed Alptemocin and the accompanying delegation concluded a 2-day visit to Iraq and left Baghdad for home at noon today.

SFRY's Srbovan Ends Visit, Returns Home
JN010814 Baghdad INA in Arabic 0730 GMT 1 Aug 85

[Text] Baghdad, 1 Aug (INA) — John Srbovan, member of the SFRY Federal Executive Council and vice chairman of the Yugoslav side to the Iraqi-SFRY committee for economic and technical cooperation, left Baghdad for home at dawn today at the end of a 3-day visit to Iraq. The minister held talks with Iraqi officials on implementation of the resolutions the joint committee had adopted in its last session in Belgrade and progress in the work of Yugoslav companies that are implementing several Iraqi development projects.

Communique Details Recent Military Action
JN311636 Baghdad Voice of the Masses in Arabic 1600 GMT 31 Jul 85

[Communique No 1,912 issued by the Armed Forces General Command on 31 July 1985]

[Text] In the name of God, the merciful, the compassionate. Our Armed Forces are standing with Iraq's pride and with its powerful resources in defense of the country's borders and sovereignty. With their overwhelming superiority, our Armed Forces are completely ready to defeat the grudge-bearing enemy remnants everywhere and at all times. The following is a summary of operations for last night and today:

Our powerful Air Force continued to deal deadly, destructive blows to the remnants and equipment of the despotic clique in the IV Army Corps sector, inflicting harsh blows and immense losses in men and equipment. Our planes carried out 60 combat missions today and returned to base, safe and triumphant, praise be to God.

2. Our capable helicopter gunships raided enemy positions, troop concentrations, and equipment in the northern sector and the 4th Army Corps sector. They destroyed a number of infantry positions and hardware stockpiles and burned a large quantity of enemy equipment. They also destroyed two enemy boats and one bunker and burned two vehicles. All our helicopters returned safely to base, praise be to God.

3. Several Iraqi forward formations directed concentrated fire at enemy positions and observation posts in the East Basra sector. They destroyed four infantry positions, killing those manning one of them, and destroyed one hardware stockpile and two observation posts.

4. One of our valiant patrol units clashed with an enemy patrol in the northern sector, killing or wounding most of its members and seizing weapons and equipment. All our patrol members returned safely to base. Elsewhere in the same sector, two enemy men were killed and their weapons captured, and one vehicle was destroyed, killing its occupants.

5. Our forward units used artillery and other weapons to pound enemy positions and troop movements in the central sector, killing one, wounding another, and destroying one infantry position, killing those manning it. Elsewhere in the same sector, one of our patrols seized weapons that the enemy had left in the no-man's-land in previous battles.

6. Several enemy boats attempted to advance toward our forward positions in the East Tigris sector at various times. Our forces pounded them, using all types of weapons. Two enemy boats were destroyed and the rest fled, pursued by our fire.

7. Using artillery and mortars, our forward units pounded some hostile targets opposite our positions in the IV Army Corps sector. Fires were seen in enemy positions.

8. The despotic clique's forces shelled Al-Shihabi with long-range artillery.

[Signed] The Armed Forces General Command, 31 July 1985.

King Visits Iraq, Holds Talks With Saddam Husayn

JN311726 Amman Television Service in Arabic 1700 GMT 31 Jul 85

[Text] His Majesty King Husayn paid a short working visit to fraternal Iraq today during which his majesty held talks with His Excellency Iraqi President Saddam Husayn and assessed the regional and international dimensions of the current Arab situation. The two leaders also reviewed topics to be discussed by the emergency Arab summit scheduled for 7 August and ways to make the conference a success in order to restore joint Arab action in the service of the Arab nation's higher interests and objectives. They also discussed the Iraq-Iran war, the close bilateral relations, and ways to develop areas of joint cooperation between the two fraternal countries. The talks were attended by Prime Minister Zayd al-Rifa'i and Royal Hashemite Court Chief Marwan al-Qasim.

Returns Home

JN311925 Amman Television Service in English 1900 GMT 31 Jul 85

[Text] His Majesty King Husayn returned to Amman this evening after a short visit to Baghdad. Upon his arrival at Amman Airport, his majesty was received by Chief Chamberlain Prince Ra'd ibn Zayd,the commander in chief of the armed forces, General Zayd ibn Shakir, and a number of senior officials.

Al-Lawzi Cables King Husayn on Terrorism

JN311401 Amman Domestic Service in Arabic 1100 GMT 31 Jul 85

["Text" of Jordanian Senate President Ahmad al-Lawzi's cable to King Husayn — date not given]

[Text] The Senate is honored to extend to your noble person the deepest loyalty and respect. Stunned by the heinous crime that claimed the life of the martyr diplomat, Ziyad al-Sati, which was perpetrated by evil killers who use crime, treachery, and bloodshed as a means of political tyranny, the Senate expresses its great indignation and extreme condemnation of these mean acts, their perpetrators, and those that plan them.

Your Majesty's wise national policy, your long experience in serving Arab causes, and your long defense of the nation's positions and interests are all greater and more sublime than to be shaken by these trifles whose perpetrators will only obtain shame and disgrace. The Senate, which supports your wise policy and rallies around your honest leadership, will spare no effort in issuing the cry of right and call of conscience to the Arab parties that want to safeguard the principles of our religion, Arab ideals, and human values in the world. God preserve Your Majesty and grant you a clear victory.

Al-Lawzi Sends Message on Terrorism to APU

JN311357 Amman Domestic Service in Arabic 1100 GMT 31 Jul 85

[Text] Amman — Senate President Ahmad al-Lawzi has sent a message to the president of the Arab Parliamentary Union [APU] in which he expressed the Senate's strong condemnation of the terrorist and criminal acts perpetrated by terrorist Arab parties against Jordanian institutions and embassies abroad. The Senate asserted that these continuing crimes show that the perpetrators, who wash their hands of religion, Arabism, humanity, and ethics, commit crimes as a continuous plan. It is the duty of Arab institutions and organizations to condemn and denounce these acts, do their best to uproot and end them, and save the Arab community from their evils. Otherwise, these crimes will spread and then be difficult to contain.

Briefs

New Indian Ambassador — Amman, 31 Jul (PETRA) — The Indian Government has decided to appoint Gurcharan Singh as India's new ambassador to the Hashemite Kingdom of Jordan to succeed Pyare Lal Santoshi, who was his country's ambassador to the Royal Hashemite Court for approximately 3 years. [Text] [*Amman PETRA-JNA in Arabic 1430 GMT 31 Jul 85 JN*]

Four Ambassadors Present Credentials — His Majesty King Husayn received the credentials of four new ambassadors at the Royal Hashemite Court at noon today. The ambassadors were Patrick Le Clerc of France, Carlos Derpsch of Chile, Chang Jin of the PRC, and Guido Vansina of Belgium. [Summary] [*Amman Domestic Service in Arabic 1100 GMT 30 Jul 85 JN*]

New Belgian Ambassador — Amman, 29 Jul (J.T.) — Foreign Minister Tahir al-Masri received in his office on Sunday the newly-appointed Belgian Ambassador to Jordan Guildo Vansina and accepted a copy of the envoy's credentials. [Text] [*Amman JORDAN TIMES in English 29 Jul 85 JN*]

Hubayqah Comments on Meeting with Franjiyah

NC311521 Ihdin Radio of Free and Unified Lebanon in Arabic 1430 GMT 31 Jul 85

[Text] Former President Sulayman Franjiyah received Elie Hubayqah, former Minister Michel al-Murr, Lebanese Television Board Director Michel Samahah, and As'ad Shaftari at his palace in Ihdin this afternoon. They held a meeting that lasted until 1400 and was also attended by Deputy Dr 'Abdallah al-Rasi and Robert Franjiyah.

After having lunch, Franjiyah conferred again for 30 minutes with Elie Hubayqah. According to sources close to the conferees, the meeting dealt very positively with various internal and Arab issues.

Hubayqah made the following statement after the meeting: [Begin recording] We initiated certain moves just now so as to cope better with Lebanese developments. We hope that any further developments will bring solutions to our problems and a breakthrough to the crisis.

I would say that we have been in agreement on all the issues discussed with His Excellency, former President Franjiyah. I believe that the positive signals emerging from this meeting will translate into action that will solve inter-Christian and inter-Lebanese problems. That is all I have to say. [End recording]

Franjiyah on Talks

NC011053 Ihdin Radio of Free and Unified Lebanon in Arabic 1000 GMT 1 Aug 85

[Text] Former President Sualyman Franjiyah has reaffirmed that there is no hope of restoring normal life in Lebanon unless the sick head, sick with cancer, is removed. He said that the first step toward finding a solution is for Lebanon to have a healthy head. Only in this way can we achieve what we want. If the sick head remains, then whatever we do to restore normal life to this beloved homeland will be sabotaged by the biggest saboteur.

President Franjiyah affirmed that his visit to Damascus and his talks with President al-Asad dealt with the Lebanese issue. He said: Fortunately, our views were identical to those of his excellency, the president, as usual. All I can say to the Lebanese citizen is that fraternal Syria, with President al-Asad at its head, is fully prepared to offer any sacrifice requested by the legitimate authority to assist it in solving the Lebanese problem, taking into account the wishes of those honest Lebanese who have no links to foreign elements.

Regarding his meeting with Elie Hubayqah, President Franjiyah said: The meeting was basically to get acquainted. Of course, we discussed many matters, the foremost of these being the Lebanese situation. What I can say is that there was no disagreement in the views expressed between myself and Hubayqah. I can also say that within days or weeks, whatever we agree upon regarding the Lebanese issue will be announced.

President Franjiyah began his news conference today by congratulating the Army on its national day. He also congratulated Zahlah and western Al-Biqa' on the appointment of a new mufti, His Eminence Shaykh Khalil [surname indistinct].

Lebanese Forces Form Unified Information Center

NC311206 Beirut Voice of Lebanon in Arabic 1115 GMT 31 Jul 85

[Text] Attorney Karim Paqraduni has announced the formation of a Lebanese Forces Information Department that will be under his chairmanship. This department will be unified, providing both military and civilian, internal and external, information on the Lebanese Forces.

AL-ITTIHAD on Syrian Tanks' Presence in Beirut

GF311313 Abu Dhabi AL-ITTIHAD in Arabic 31 Jul 85 p 1, 13

[Excerpt] Beirut — Security sources told *AL-ITTIHAD* that about 100 Syrian tanks are waiting to join the first convoy in Al-'Izziyah at higher Al-Matn overlooking Beirut. Prominent political figures told *AL-ITTIHAD* that the arrival of the Syrian tanks in Beirut is directly connected with the political and security developments to be witnessed in the Lebanese arena in the near future, especially in Beirut. They added that these developments might surface after the formation of the national alliance front and which might include former President Sulayman Franjiyah and other Christian leaders.

This person said that the National Alliance Front will form the nucleus of a new Lebanon and that it is supported by Syria. The person ruled out the possibility that the Syrian tanks arrived in Beirut to be given to the Amal movement, and said that Damascus is determined to close the Lebanese crisis file, and perhaps for this reason it has begun to move its forces into West Beirut to support the forces of the Lebanese Army in enforcing the legitimate security in the whole of greater Beirut.

It said that the Syrian tanks may enter East Beirut very soon in order to support the government of President Amin al-Jumayyil against the mutinous forces among the "Lebanese Forces" militia and that the entry of the Syrian forces into East Beirut following their entry into West Beirut is directly related to the process of unifying the capital under the aegis of Lebanese legitimacy after removing the contact lines and opening the crossing points permanently between the two parts of Beirut. The source pointed out that President al-Jumayyil's message, which was conveyed by his envoy Minister Joseph al-Hashim yesterday to President Hafiz al-Asad, falls within this framework.

Syrians To Leave After Clearing Rubble in Camps

NC010611 Beirut Voice of Lebanon in Arabic 0515 GMT 1 Aug 85

[Text] Sources representing the Coordination Committee in West Beirut have reported that the Syrian engineering team that has been removing the rubble in the Palestinian camps will leave Beirut for Damascus after completing its work. The team will

leave behind about 10 vehicles, for use in removing the remaining rubble in some of the narrow alleys.

Meanwhile, the 6th Brigade has removed its equipment and vehicles from some of its positions in the areas of Sabra, Al-Da'uq, Shatila, the Sports City, and Burj al-Barajinah, returning to positions held before the outbreak of the war of the camps in early June. The Amal movement has also removed its roadblock near the Hamadah Palace.

Organization Claims Responsibility for Damascus Bomb

NC010551 Beirut Voice of Lebanon in Arabic
0532 GMT 1 Aug 85

[Text] In a telephone call to the Voice of Lebanon a little while ago, a spokesman claiming to speak in the name of the Secret Eagles Front Organization [munazzamat jabhat al-nusur] said that members of this group had detonated the bomb in the SANA offices in Damascus. The spokesman said that units belonging to this organization had carried out two other bombings in the Syrian capital. However, the spokesman did not reveal the location of these two explosions.

Chamber of Deputies' Committee Approves Budget Bill

NC010720 Beirut Domestic Service in Arabic
0700 GMT 1 Aug 85

[Excerpt] The Chamber of Deputies will begin its debate of the budget bill today. The Chamber of Deputies' Finance Committee approved this bill yesterday and referred it to the Chamber of Deputies for approval. The general budget together with various supplemental budgets totals 12.888 billion pounds.

Aeroflot To Resume Flights to Beirut Next Week

LD011036 Kuwait KUNA in English 0929 GMT 1 Aug 85

[Text] Beirut, Aug 1 (KUNA) — The Soviet airlines, Aeroflot, will resume flights to Beirut Airport starting next week, the Soviet charge d'affaires here said Thursday. The Soviet diplomat said he has informed the Lebanese Foreign Ministry of his country's decision to resume airline services to Beirut Airport.

He added that an Aeroflot jetliner will land in Beirut International Airport next Tuesday. The Soviet move comes two weeks after airline companies of Romania and the German Democratic Republic resumed flights to the Lebanese capital.

Islamic Gunmen Occupy City Hall in Tripoli

NC311705 Beirut Voice of Lebanon in Arabic
1630 GMT 31 Jul 85

[Text] Islamic Unification gunmen supported by several deserters from the Army occupied the city hall in Tripoli and set up a roadblock at the entrance this afternoon. At 1715 a force from the 2d Brigade from the Al-Qubbah barracks arrived there and clashes ensued involving the use of rockets and machineguns. The clashes lasted until 1800.

Gunmen Forced To Withdraw

NC010549 (Clandestine) Radio Free Lebanon in Arabic
0445 GMT 1 Aug 85

[Text] According to security reports from Tripoli, Islamic Unification Movement gunmen and a number of deserting Army troops have evacuated the city hall and the Central Bank building in the city, after the Army intervened, forcing them to withdraw. A clash involving machineguns and rockets preceded the withdrawal. The Islamic gunmen managed to seize three Army vehicles, a machinegun, and three rifles.

Violent Explosion Near SANA Offices in Damascus

JN311814 Baghdad INA in Arabic 1722 GMT 31 Jul 85

[Text] Beirut, 31 Jul (INA) — An explosion described as violent shook buildings adjacent to the SANA offices in Damascus today. Lebanese travelers arriving here from Damascus say that the explosion occurred either inside or outside the SANA offices. They said that the sound of the explosion was heard at 1530 Damascus time [1230 GMT].

60 Reported Dead, Injured

JN011226 Paris Radio Monte Carlo in Arabic 1200 GMT 1 Aug 85

[Text] The Iranian news agency said that yesterday's violent explosion in the heart of the Syrian capital was caused by an explosive charge placed in a shop in a 10-storey building near the Syrian news agency, SANA. According to the Iranian agency, the explosion led to casualties and losses. An informed source in Tehran estimated the number of victims at 60 dead or wounded and said that the explosion was caused by a booby-trapped car.

AL-BA'TH Condemns Call for 'Moderate' Arab Summit

JN311100 Damascus Domestic Service in Arabic 0345 GMT 31 Jul 85

[Press review]

[Text] Under the headline "Why Do We Reject and Why Do We Accept?" *AL-BA'TH* comments: Since the beginning of the year, the U.S. Administration has taken the position of the party urging a Middle East settlement. Its persistence and even insistence on a settlement were manifest in consecutive campaigns of quiet diplomacy that were quickly launched in Washington to Israel and spread from there to the capitals of the moderates. After the convening of the divisionist Amman [PNC] conference and the conclusion of the treasonous Amman agreement, U.S. persistence increased among the capitulationists to use the peace process as a cover for all its moves.

AL-BA'TH adds: Whoever follows the course of U.S. diplomatic campaigns easily discovers that the call for the extraordinary Arab summit by King Hasan II is one of the methods that serve primarily the joint U.S.-Israeli aim. Convening the summit is completely in line with previous calls by the Jordanian regime and 'Arafat to amend the Arab League Charter and make decision on the basis of majority vote. This deals a blow to Arab accord and solidarity, even in its minimal limit, and leads to unilateral decisions that are far from pan-Arab action that might constitute a danger to this action.

AL-BA'TH adds: Through its firm stands and comprehensive view of the imminent dangers, Syria has succeeded in exposing and curtailing the Camp David process. In view of this success, the U.S. Administration began exerting pressure to promote the majority vote as a cover for the capitulation trend team so that it would not repeat Al-Sadat's mistake.

AL-BA'TH concludes: Under the cover of search for peace, a call was made for the extraordinary summit — the summit of moderates who represent only themselves. Since we reject moderation that leads to humiliation and capitulation, we have rejected the extraordinary summit. And since we agree to an effective Arab solidarity that confronts the Zionist expansionist strategy, we will no doubt accept a summit that seeks to achieve this aim.

Delegation at Moscow Youth Fest Issues Statement

JN011031 Damascus SANA in Arabic 0850 GMT 1 Aug 85

[Text] Moscow, 1 Aug (SANA) — The Syrian delegation to the 12th International Festival of Youth and Students has affirmed that tension and anxiety prevail in the world due to the aggressive imperialist policy adopted by the United States and its allies. In a statement issued here today, the Syrian delegation condemned the U.S. Administration's aggressive course that threatens security and peace in the world. The delegation affirmed its determination to exert efforts to remove tension from the world in strong cooperation with world democratic forces and youth.

The delegation reviewed Syria's stand toward the issues of security and cooperation, and affirmed that it is based on four principles. These principles are peoples' right to self- determination; confronting the repressive practices and methods adopted by the racist regimes, foremost being Israel and South Africa; removing all forms of exploitation and plundering of peoples; and establishing equal international relations on the basis of respect for peoples' sovereignty, and establishing strong cooperation among the world's regimes and peace-loving peoples, which is hostile to imperialism, racism, colonialism, and fascism.

The delegation explained that Syria's youth and students have exerted and are exerting every effort in light of the principles of the leading party, the Arab Socialist Ba'th Party, and the directives of its secretary general, President Hafiz al-Asad. These efforts are aimed at bolstering the world democratic youth and students' front within a strong alliance hostile to imperialism, Zionism, and all forms of racist oppression and segregation.

In conclusion, the delegation affirmed that Syria, under the leadership of President Hafiz al-Asad, employs all its potentials to bolster cooperation in the Arab region on the basis of the recognition of the Palestinian Arab people's right to self- determination, the establishment of an independent Palestinian state, and the withdrawal of the Israeli occupation forces from all occupied Arab territories.

Rabin Says Terrorist Leaders Moving to Jordan

TA311917 Jerusalem Television Service in Hebrew 1800 GMT 31 Jul 85

[Text] Defense Minister Yitzhaq Rabin is certain there is a real move of terrorist leaders from Lebanon to Jordan as a result of the PLO's situation in Lebanon. Our correspondent Ya'aqov Ahime'ir has learned that Minister Rabin made this remark during talks in the Knesset. Rabin also said that, unfortunately, greater PLO influence on terrorism in the territories is noticeable. Our correspondent in the Knesset notes that this means King Husayn's room for independent action has decreased. This should be viewed mainly against the background of the possibility that King Husayn might be at the center of political developments in the area.

Peres Promises To Deal With Egyptian Relations

TA010930 Tel Aviv HA'ARETZ in Hebrew 1 Aug 85 p 2

[Report by political correspondent 'Aqiva Eldar]

[Text] Yesterday Prime Minister Shim'on Peres promised Muhammad Basyuni, the Egyptian charge d'affaires in Tel Aviv, that as early as next week he would be free to deal with the issue of promoting bilateral relations, including the decision on Tabah.

Peres explained that he had recently been occupied with the matter of the economy. He expressed the hope that he would be finished by the end of the week and asked the Egyptian diplomat to explain to his government the difficulties which have caused the prolonged delay in dealing with bilateral affairs. Peres asked Basyuni to extend to his government Israel's gratitude for the support for Israel shown by the Egyptian delegation to the UN conference on the status of women, which was held in Nairobi. Peres also praised Egypt's opposition to the joint proposal put forward by the Soviet bloc and Arab countries to equate Zionism with racism.

On Tuesday, Moshe Sason, Israel's ambassador in Cairo, met with Egyptian Foreign Minister 'Ismat 'Abd al-Majid, to discuss bilateral relations in their entirety. This week, Basyuni was also invited to the Foreign Ministery in Jerusalem to clarify the matter of repeated incidents between Israeli yachts and Egyptian patrol boats.

Yesterday the prime minister also met with Thomas Pickering, the new U.S. ambassador to Israel, where he was informed that the United States would support a meeting with a Jordanian-Palestinian delegation if — and only if — it would lead to direct negotiations with Israel.

Shamir on Death Penalty for Terrorists

TA311114 Jerusalem Domestic Service in Hebrew 1000 GMT 31 Jul 85

[Text] Foreign Minister Yitzhaq Shamir believes Israel should adopt the death penalty for terrorists who perpetrate extremely ruthless acts and should deport agitators. In his remarks to the participants in the first world conference of the World Zionist Organization's young guard, Vice Prime Minister Shamir said Israel will strike at terror everywhere with full force. He emphasized that the terrorists jeopardize the peace process rather than the existence of the State of Israel.

Justice Minister Discusses Racism Law

TA010732 Tel Aviv IDF Radio in Hebrew 0505 GMT 1 Aug 85

[Telephone interview with Justice Minister Moshe Nisim by Ya'el Dan — live]

[Text] [Dan] Justice Minister Moshe Nisim is on the telephone now and I would like to talk with him about the racism law which was passed by the Knesset yesterday. However, before this, I would like to have your reaction to the proposals on stricter antiterror measures which will be discussed by the Inner Cabinet today and by the entire Cabinet on Sunday. The death penalty, expulsions, administrative detentions — which measures do you support?

[Nisim] I announced in the Cabinet this week that with regard to administrative detentions, we can apply them. I asked, however, and this is also the legal situation involved, that any administrative detention be carried out according to the spirit of the law existing in Israel. In Israel we amended the law a few years ago so that any administrative detention would be subject to legal control. We voluntarily applied this to Judaea and Samaria as well. I believe that administrative detentions can be carried out provided they are subject to legal supervision. The defense minister has accepted this and a proposal to this effect will be submitted to the Cabinet for approval.

As for deportation, everybody agrees that this is the most effective punishment for decreasing the number of terrorist actions. The major problem here is that it is desirable to implement this penalty shortly after making a decision. The security elements believe that if the process is long, we will lose rather than profit from implementing this punishment.

[Dan] What about the death penalty, will you support this?

[Nisim] Well, it is known that I rule this out as a mandatory penalty. I do not believe it can exist as such in the State of Israel. However, the law in Israel allows the imposition of capital punishment on terrorists; this law is valid and there is therefore no need to change the law. The meaning of this is that if previously the death penalty existed in theory rather than in practice, from now on it will be known that this option definitely exists and can be used.

[Dan] With your permission now, let us move to the law on racism. Do you believe Kahane will run for the Knesset in the next elections?

[Nisim] This law is one of the most important laws passed in the Knesset and I feel satisfied for having both initiated it and seen it adopted on the 2nd and 3rd readings yesterday.

[Dan] My question then is: Now that the law has been passed, do you believe Kahane will indeed be barred from entering the Knesset in the next elections?

[Nisim] I think, this is a fact really, that Kahane and his KAKH Movement incite racism. The law clearly stipulates that a list cannot run in the Knesset elections if its objectives and deeds point to such incitement.

[Dan] Is it impossible to find loopholes with this law, as it stands?

[Nisim] There is no room for tricks here. We gave thought to this possibility and noted in the law that such a list cannot run for the Knesset whether its objectives and deeds point to incitement for racism, either explicitly or implicitly.

[Dan] What does explicitly or implicitly mean?

[Nisim] First, we note the list's deeds, not only its objectives. We can see the deeds daily. It is unnecessary for us to look at the list's platform to know its tendencies. Tendencies are reflected in deeds.

[Dan] Minister Nisim, which other parties will remain out of the Knesset in the next elections, in the wake of this law?

[Nisim] I have not conducted a survey. At any event, I would like to emphasize the first clause which refers to negating the State of Israel as the state of the Jewish people. If there is a list which does this, which, for instance, advocates Israel should be a PLO state, it will have no place in the Knesset.

[Dan] You are alluding to the Progressive List for Peace?

[Nisim] I am not alluding; I am saying that any list which, explicitly or implicitly, in its objectives or deeds, negates the existence of the State of Israel as a Jewish state will be unable to participate in the Knesset elections.

Concern Evinced About PLO Entrenchment in Jordan

TA311555 Tel Aviv IDF Radio in Hebrew 1405 GMT 31 Jul 85

[Text] Abu Jihad's [Khalil al-Wazir] headquarters — which coordinates the PLO's attacks against Israel — was transferred to Jordan. This is reported by a top level security source. So far, however, Fatah does not have training bases in Jordan. Our military correspondent Gay Zohar reports:

The rapprochement between Husayn and 'Arafat is not only on the political level; it also has military implications. Israel must take note of the transfer of Fatah's western headquarters, headed by Abu Jihad, to Jordan. This body coordinates most of the terrorist attacks against us. So far we cannot point to a Fatah training base in Jordan, but from our point of view the establishment of such a base, or the giving of logistical aid to it, would be unacceptable entrenchment in Jordan. The terrorists are located in various places in Amman, where they train, plan attacks against Israel, recruit volunteers, and maintain contacts with Judaea and Samaria elements to whom they hand over funds and operational directives.

From Husayn's point of view this is a desirable situation because it somewhat weakens Israel's control in Judaea and Samaria. Mostly, however, this condition increases Fatah's dependence on Jordan. We must note that the Jordanians continue to meticulously prevent any terrorist activity from their territory against Israel, and the assessment is they will not allow the PLO to deepen its entrenchment.

From 'Arafat's point of view this move is desirable not only due to the proximity to Israel. The leader who faces stiff opposition within his organization can thus display a tough policy toward the rejectionist organizations, while stepping up the armed struggle against Israel.

The terrorists are also returning to Lebanon by sea. So far 2,000 terrorists have returned that way. As to terrorism inside Israel, the top level security source there has seen an increase in the number of attacks in Israel and Judaea and Samaria over the last year, and there has also been a noticeable rise in the seriousness of the acts. Attacks based upon local initiative pose a danger, and according to the assessment, this trend — which is more difficult to prevent — will continue. The source believes three steps must be taken to stop the current wave of terrorism: intelligence work; increasing our police presence, and this includes conceptual changes in the police and border police; and selective deportations.

To date the involvement of Israeli Arabs in this activity is apparently marginal, and there is no foreseeable development that can change this. Recent terrorist activity in the Golan heights — such as the planting of mines — is currently being investigated. It is possible that Druze are responsible for these acts.

Knesset Amends Law on Punishing Illegal Workers

TA311714 Jerusalem Domestic Service in Hebrew 1600 GMT 31 Jul 85

[Text] The police can now detain and try workers from the territories who work in Israel without a permit. This transpires from the amendment to the law on entry to Israel approved by the Knesset today. Our correspondent Tzvi Yisre'eli explains that to date the punishment of foreign employees who lack a permit, includingworkers from the territories, was 3 months imprisonment. They could be registered but not detained. The punishment now will be 1 year imprisonment, and the police will be able to detain foreign workers for 48 hours and then put them on trial. The amendment was initiated by Knesset Member Dov Shilansky, chairman of the Knesset Internal Affairs Committee. All of the Knesset factions except for HADASH supported the amendment, and apparently even those who were against it did not realize the implications of the new clause. The law was originally intended to force employers to pay the expenses for expelling illegal foreign workers.

Basic Law on Participation in Elections Amended
TA311446 Jerusalem Domestic Service in Hebrew 1400 GMT 31 Jul 85

[Text] The Knesset has approved an amendment to The Basic Law; The Knesset, which would ban from elections any party that objects to Israel's existence and democratic regnme and whose actions and objectives might instigate racism. Sixty-one Knesset Members [MK's] voted in favor of the amendment, six MK's of HADASH and the Progressive List for Peace abstained; nobody voted against it.

Our correspondent Tzvi Yisra'eli reports that the amendment also stipulates that the attorney general, the chairman of the Central Elections Committee, or one quarter of the committee members can appeal to the Supreme Court the Central Elections Committee's decision to approve a list of candidates.

Knesset Bill Against Kahane Passes First Reading
TA311731 Jerusalem Domestic Service in English 1700 GMT 31 Jul 85

[Excerpt] The Knesset spent the final hours of its summer session embroiled in legislation which may do much to determine the character of parliamentary democracy in Israel. A first reading of a bill requiring holders of dual citizenship to relinquish one of their nationalities when running for election to the Knesset was passed by an overwhelming majority. Clearly aimed at Knesset Member Me'ir Kahane, the bill summed up the concern of the house for its democratic future.

Knesset Approves Elat Free Trade Zone Bill
TA010636 Jerusalem THE JERUSALEM POST in English 1 Aug 85 p 2

[Report by Arye Rubinstein]

[Text] The Free Trade Zone in Elat Bill, which passed its first reading only on Monday, passed its second and third readings yesterday. The law gives tourists, Elat residents, and entrepreneurs a variety of tax exemptions and reductions.

Committee To Further Discuss Death Penalty 4 Aug
TA010457 Jerusalem Domestic Service in Hebrew 0400 GMT 1 Aug 85

[Text] This Sunday [4 Aug] the government will discuss a proposal to allow the state attorney's office to demand the death penalty for terrorists tried for ruthless acts. This was the decision of the ministerial committee which is dealing with various proposals on meting out graver sentences to terrorists.

Our political correspondent Shim'on Schiffer reports that the committee adopted the justice minister's proposal that the prosecution consult with the defense and justice ministers in cases where terrorists are tried for murder. The two ministers will be responsible for giving the prosecutors the political backing necessary for them to demand the imposition of the death penalty by the court. Minister Nisim told the committee that the proposal will ensure a controlled use of reasoning and consideration.

The ministerial committee did not adopt any decisions regarding expulsion orders, and will resume discussion of the various aspects of the problem next Sunday, before the Cabinet meeting.

Kahane's KAKH To Open Training Camp for Members
TA311016 Tel Aviv 'AL HAMISHMAR in Hebrew 31 Jul 85 p 4

[Report by Yo'av Aviv]

[Text] A training camp for Kahane's supporters will open this coming Sunday in Mizpe Yeriho. Our correspondent has learned this from KAKH Movement members in Haifa.

At the training camp, Knesset Member [MK] Kahane's followers will be trained in hand-to-hand combat, body building, and daily and nightly patrols. The final exam will probably consist of a patrol through Jericho.

In the meantime, members of Kahane's movement are busy with fitness and body building exercises at the Shapir Institute in Haifa. The physical training course lasts about 2 months, with two sessions per week.

Our correspondent has learned that MK Kahane has decided to organize a task force which will carry out his directives, and that in the coming days he intends to distribute leaflets in Arab villages in the north, calling upon them to leave the country.

It was further learned yesterday that Kahane's boys appealed to the Religious Affairs Ministry requesting permission to repair Jewish cemeteries in Arab villages. The youths intend to begin maintaining these cemeteries in the coming days, regardless of whether their request is granted by the Religious Affairs Ministry.

Qiryat Arba' Cancels Coalition Agreement Clause
TA311827 Jerusalem Domestic Service in Hebrew 1800 GMT 31 Jul 85

[Text] The coalition of the Qiryat Arba' Town Council has cancelled Clause No 5 in the coalition agreement dealing with the dismissal of Arab workers. Our correspondent Shalom Oren reports that the town council has thus compiled with the attorney general's demand. The cancellation was carried out with the agreement of the Ko'ah faction which is affiliated with the KAKH Movement. The chairman of the Qiryat Arba' Council notified the Knesset Finance Committee about the decision and the committee consequently revoked a previous resolution to freeze 350 million shekels owed to the council.

Administrative Detention Imposed on Terrorist

TA010431 Jerusalem Domestic Service in Hebrew 0400 GMT 1 Aug 85

[Text] Administrative detention was imposed yesterday on Ziyad Abu 'Ayn, a terrorist from Ramallah. He had been sentenced to life imprisonment for planting a bomb in Tiberias and murdering two children, but was later released as part of the prisoner exchange with the Jibril organization.

Defense establishment sources told our correspondent Arye Gus that the terrorist committed security crimes and violated the terms of his release. Our correspondent notes that Abu 'Ayn's administrative detention is a change in the military authorities' policy, as such detentions have not been carried out in recent years.

Nabulus Curfew Lifted for Residents To Get Food

TA311221 Jerusalem Domestic Service in Hebrew 1200 GMT 31 Jul 85

[Text] The security forces are continuing to conduct house-to-house searches following the murderer of Albert Bukhris. Our correspondent Arye Gus reports that about an hour ago the curfew was lifted from the town for 2 hours to enable the residents to get foodstuffs.

Searches Continue; Bus Stoned

TA311425 Jerusalem Domestic Service in Hebrew 1343 GMT 31 Jul 85

[Text] The security forces are continuing their searches following the murder of Albert Bukhris. Our correspondent Arye Gus reports this morning that the Military Government closed three shops located near the place Bukhris was murdered. The entrance to the casbah, through which the assassin apparently made his escape, was blocked.

This morning a bus was stoned near the Al-Am'ari refugee camp in the Ramallah district. One passenger was slightly grazed from the glass shards. The security forces have begun an investigation.

Propaganda Seized From Al-Najah

TA311629 Jerusalem Domestic Service in Hebrew 1600 GMT 31 Jul 85

[Excerpt] During the searches the security forces entered the Al-Najah University in Nabulus, where they conducted searches. The security forces seized propaganda material from the student union offices. This material was prepared for the student union election scheduled for next week. Our correspondent Arye Gus notes that exactly 1 year ago Al-Najah was closed for 4 months because incitement material was found in a book display prepared by the students.

Findings Show Suspects Planned To Kill Teachers

TA011020 Tel Aviv HA'ARETZ in Hebrew 1 Aug 85 p 1

[Report by Re'uven Pedatzur]

[Text] The interrogation of the three suspects in the murder of the two teachers from 'Afula concludes that the three indeed planned to carry out terrorist attacks and to murder Jews. These findings refute the suspects' first story, which was publicized on Tuesday, that the murder had no nationalistic background, and that the three planned to go hunting and accidentally came upon the two teachers.

It turns out that the three suspects left for the site where the murders were committed with a carbine rifle, which they had stolen from a farm in the area, in their possession. The three surprised the two teachers who had been sitting in a car, forcibly removed Yosef Elihu from the car, and immediately shot him in the back. Afterward, they strangled Le'a Elmakayis.

'New Type' of Terrorist Activity Analyzed

TA311139 Tel Aviv HA'ARETZ in Hebrew 31 Jul 85 p 7

[Commentary by Re'uven Pedatzur: "A New Type of Terror"]

[Text] A statistical study will show that there has been no significant increase in the number of terrorist acts, and that nothing has apparently changed in the yearly average. However, those in charge of security in the territories and within the Green Line boundaries are not concerned with the number but rather with the nature of the acts. Senior defense establishment elements believe we are faced with a new and different type of terrorist activity. The recent acts of murder and terror point to two characteristics which, even though they are not very new, still justify a change in the approach to war against terror and new types of combat methods:

A. In most of the previous cases, the terrorist activities were planned and in part also perpetrated by members of the Palestinian terror organizations or people in their service, while in recent cases there has been a higher percentage of murders and kidnappings carried out by residents of the territories — some lacking terrorist backgrounds — who are not directly carrying out the orders of a terrorist organization.

B. The number of terrorist acts within the Green Line boundaries has significantly increased. To illustrate this phenomenon, it would suffice to scrutinize the list of the recent murders committed within the borders of the State of Israel: The murder of the female soldier, Hadas Qedmi, whose body was discovered in the Bet Oren forests; the murder of reserves soldier David Pelsen, near the settlement of Kissufim in the Negev; the murder of Me'ir Ben-Ya'ir and Mikhal Kohen near Mizpe Massu'a, about a month ago; the murder of the two 'Afula teachers last week. To this, one should add the hijacking of the bus from Ashqelon to Dayr al-Balah and many foiled attempts to kidnap or harm IDF soldiers. During the first half of July there were no less than six terrorist acts within the Green Line boundaries.

The recent terrorist acts point to a new category of terrorist, made up of residents of the territories who are not deterred from randomly selecting and murdering Jewish victims against a nationalistic background. This terror — which is not directed and conducted by a terrorist organization and whose perpetrators do not rely on a well-established terrorist foundation — is viewed as the initial seeds of a civilian uprising. This may be an exaggerated definition, but terrorist acts which are a result of spontaneous organization on a local level have a dynamic of their own, and their perpetrators derive inspiration from the success of previous terrorist acts. Shmu'el Goren, the coordinator of activities in the territories, emphasized the similarity between the recent murder and the murders of the couples in Cremisan and in Mizpe Massu'a. There is no doubt that the murderers of the two 'Afula teachers were inspired to commit their act by the success of the previous murders.

Those in the defense establishment responsible for the territories claim that the recent wave of terror should not be linked with the release of the 1,150 terrorists, hundreds of whom are residents of the territories themselves, and with the success of Shi'ite terror in southern Lebanon. It is indeed difficult to point to a direct link or to guidance and activation by released terrorists or Shi'ite terrorists, but it is even more difficult to adopt the approach which isolates the influence of these factors from the atmosphere and moods in the territories.

How, then, can one explain the change in the thinking of a youth from the village of 'Arrabunah, who only about 6 months ago helped return a Jewish child lost in the Mount Gilboa' area and is now accused of initiating and carrying out the murder of a pair of teachers, strictly because of the Jewishness? The change in thinking of this youth and many others apparently stems from the atmosphere created in the territories in the wake of the success of the Shi'ite terror and, to a larger decree, in the wake of the release of the 600 terrorists who returned to their homes in the West Bank and the Gaza Strip as national heroes. There is also no doubt that the extensive coverage given to the remarks and activities of Rabbi Kahane and his followers, as well as to the Jewish terror organization, played a weighty role in inflaming spirits and increasing the nationalistic feelings among the residents of the territories.

Senior security personnel this week estimated that the intensity of terrorist acts may indeed increase. After the 6-Day War the PLO tried to act in the territories and bring about a civilian uprising. It failed in that effort and had to change direction, beginning terrorist acts carried out by squads entering into the territories from the exterior, and by firing across the borders or at Israeli targets throughout the world. Therefore, if we indeed witness in the near future an increase in the number of terrorist acts perpetrated by local groups this will be a victory for 'Arafat, whose work will then be done by others.

In this case, however, it would be an additional mistake to ignore the influence of the recent intensive Fatah activity in the territories. Senior security personnel have recently noted that it is that Fatah faction which is loyal to 'Arafat which is apparently behind the increase in terrorist activity. According to them, some Judaean and Samarian residents arrive in Amman and are briefed on terrorist acts by Fatah officers. Thus, even if there is no direct link in all cases between the terrorist organizations and local organizing, the organized instigatory acts and the atmosphere they generate also serve as a catalyst for activity by local elements. Another characteristic of the recent terrorist acts is what the coordinator of activities in the territories calls "a blow to our soft underbelly." According to Shmu'el Goren's assessment the Arabs have studied our vulnerabilities and are choosing easy targets where a blow implies radical reactions on the part of the Jewish population. The beating of Arabs in the center of 'Afula by an incited crowd is an indication of what we are facing if the number of this type of terrorist act increases. A blow "to the soft underbelly" may also cause disruptions in the life of the Jewish population within the Green Line boundaries.

The important question is, of course, how one fights the terrorist acts and how one nips in the bud this dangerous move in the direction of a civilian uprising. In this sphere one should distinguish between foiling acts and meting out penalty to terrorists. The foiling of terrorist activity relies mainly on intensive intelligence efforts, which are based on intensive ongoing work in the area. These efforts were largely impaired during the 3-year presence of the IDF in Lebanon. Now that the IDF has withdrawn from Lebanon there is a good chance of improving the intelligence infrastructure in the territories upon the return to work of personnel from the various security branches. Nevertheless, it is very difficult to collect intelligence data which concerns spontaneous, individual, or one-time organizing which leads to the perpetration of terrorist acts.

As for the penalty question, those who deal with the issue in the defense establishment are in almost complete agreement that the death penalty should not be applied to terrorists. It is to be assumed that the government also will ultimately adopt this position and the issue will be dropped from the agenda. In contrast, security elements recommend that the punishment of deportation be used to a larger degree. According to them, expelling instigators or residents on whom intelligence information which cannot be proven in court has been gathered will largely help maintain calm in the territories and facilitate the work of the security forces and services. As far as is known, the political echelon is busy working out proposals for changing the law on deportation and thus, a large number of the limitations currently applying to deportation of residents from the territories will be eliminated. Penalizing the perpetrators of terrorist acts with expulsion as well will serve as a deterrence. The defense establishment believe that the measure of expulsion is one of the most effective deterrents.

Another sphere which should be emphasized is the adoption of measures to prevent the stealing of arms from the IDF or from Jewish civilians. Most of the recent acts of terrorism were carried out with arms stolen from Jews. Some 350 arms were stolen from the IDF last year, almost one weapon daily. It seems that on this matter the initial moves in the right direction have been made in the IDF and the situation is likely to improve. Talks with key personnel in the defense establishment indicate that they are somewhat confused in view of the recent manifestations of terrorism. Some fear the development of a new wave of terrorism which will involve greater combat difficulties than we have known in the past.

LIBYA

Al-Qadhdhafi Calls Leaders on Summit, U.S. 'Invasion'

NC010528 Tripoli Domestic Service in Arabic
0500 GMT 1 Aug 85

[Text] Yesterday evening, the brother leader of the revolution telephoned brother 'Ali Nasir Muhammad, secretary general of the Central Committee of the PDRY Socialist Party and chairman of the Supreme People's Council; and King Fahd Ibn 'Abd al-'Aziz of Saudi Arabia, to discuss the proposed Arab summit conference and the U.S. invasion of the Arab homeland.

Some 10,000 U.S. troops have been sent to occupy the area from Alexandria up to the artificial borders with the Libyan Jamahiriyah. In addition, Jordan, Somalia, and Oman are witnessing similar landings, proving that these countries have become U.S. colonies and bridgeheads for use by imperialism in occupying the entire Arab homeland.

Brother 'Ali Nasir Muhammad asserted the PDRY's refusal to attend the proposed Arab summit conference and his full support for the position taken by the Libyan Jamahiriyah, Syria, and the Palestinian revolution.

Further Reaction to U.S. Maneuvers in Area

NC010547 Tripoli Domestic Service in Arabic
0500 GMT 1 Aug 85

[Text] The Arab homeland is currently witnessing an armed U.S. invasion — over 10,000 U.S. soldiers have arrived on the pretext of conducting U.S. military maneuvers, with the alleged participation of forces representing the capitulationist Arab regimes.

Within this context, reports from the conquered Egyptian capital note that thousands of U.S. soldiers have begun to arrive in Egypt to conduct military exercises intended to terrorize the Egyptian people and the progressive forces in the Arab homeland, and to render Egyptian territory an advanced base from which the U.S. forces will seek to achieve aggressive objectives in the Arab region.

In the meantime, reports from the Jordanian capital indicate that a similar U.S. invasion of Jordanian territory will begin in August. U.S. landings are also now taking place in Somalia and Oman, in an effort to occupy the entire Arab homeland, to place it under U.S. domination, and to impose defeatist capitulationist solutions, thus eliminating the Arab existence.

MOROCCO

Lamrani Meets with Bush in Washington

LD311656 Rabat MAP in English 1200 GMT 31 Jul 85

[Text] Washington, July 31 (MAP) — Visiting Moroccan Premier Mohammed Karim Lamrani who is leading the Moroccan side to the fourth session of the Moroccan-American Joint Military Commission Tuesday conferred with U.S. Vice President George Bush. The two sides reviewed bilateral relations, explored means of consolidating further cooperation between the two countries, and underlined the long-standing friendship binding Morocco and the U.S..

The meeting was attended by Under Secretary of State for the Middle East and South Asia Richard Murphy and the newly appointed U.S. Ambassador to Rabat Thomas Nassif.

Earlier on Tuesday, Mr. Lamrani and his accompanying delegation separately met with the President of the World Bank A.W. Clausen and with the Director General of the International Monetary Fund Jacques de Larosiere. Tuesday was also marked by M. Lamrani's talks with Director of the U.S. Agency for International Development Peter McPherson and his meeting with Chairman of the Foreign Affairs Committee at the U.S. House of Representatives Dante Fascell.

Hassan Receives Meese, Equatorial Guinea Official

LD312124 Rabat Domestic Service in Arabic
1900 GMT 31 Jul 85

[Text] His Majesty King Hassan II today received U.S. Attorney General Edwin Meese at the royal palace in Al-Sukhayrat. His majesty later received (Juan olombasing), the minister accredited to the Presidency in charge of minerals and combustibles in Equatorial Guinea [title as heard], who was accompanied by his country's ambassador to Rabat. The two meetings were attended by Minister of Foreign Affairs, Cooperation and Information Abdellatif Filali, and his majesty's advisor, Ahmed Reda Guidera.

SUDAN

Numayri Reportedly Preparing To Leave Egypt

GF311552 Kuwait AR-RA'Y AL-'AMM in Arabic
30 Jul 85 pp 1, 17

[Dispatch from Cairo]

[Text] Informed sources at the Egyptian Foreign Ministry have said that deposed Sudanese President Ja'far Numayri is preparing now to leave Egypt. The sources said that Numayri has dispatched a member of the service team assigned to him to negotiate with Egypt Air to rent a private plane to transport him to an unknown destination. Numayri's envoy has asked that the plane remain ready for takeoff at any moment for a period of 10 days as of next Saturday [3 August]. Numayri will pay all its costs over that period. The national airline has sent a copy of Numayri's request for renting the private plane to the president's office and to the government, and has asked Numayri's envoy to wait until it receives a reply.

Al-Dhahab Meets Revolutionary Committee Coordinator

EA312045 Khartoum SUNA in English 1641 GMT 31 Jul 85

[Text] Khartoum, July 31 SUNA — Lt.G. Siwar al-Dhahab today met with the general coordinator of the Sudanese Rev-

olutionary Committees' [SRC] 'Abdallah Zakariyyah. In a press statement, Zakariyyah said the meeting touched on the means of speeding up the implementation of what has been agreed upon between Sudan and Libya particularly in the economic field. Zakariyyah affirmed the ideological ties that link the SRC movement and Libya referring to the keenness of the SRC in achieving the popular unity between Sudan and Libya.

On the upcoming elections in Sudan Zakariyyah said the Sudanese CP committees movement's contest in the elections is still under discussion.

On the role of the SRC in the current endeavors for achieving peace in the south and opening channels of dialogue with John Garang, Zakariyyah said the committees movement had recognized the essential differences and discrepancies between southern and northern Sudan. Hence, the south must be granted the full right on administering democratically and freely its own affairs. He went on to say that they are currently conducting contacts with the political organizations of the southern Sudan in Khartoum for the sake of making joint contacts with the Sudanese People's liberation Army.

Siwar al-Dhahab Receives PDRY Leader's Message

JN311731 Khartoum SUNA in Arabic 1718 GMT 31 Jul 85

[Text] Khartoum, 31 Jul (SUNA) — Transitional Military Council Chairman General Muhammad Hasan Siwar al-Dhahab has received a written message from PDRY President 'Ali Nasir Muhammad. Siwar al-Dhahab had sent a message to 'Ali Nasir Muhammad on ways to strengthen bilateral relations. The message was conveyed to Gen Siwar al-Dhahab by the PDRY charge d'affaires.

Idris Trial Set for 3 Aug, Charges Filed

JN311053 Khartoum SUNA in English 1045 GMT 31 Jul 85

[Text] Khartoum, 31 July (SUNA) — The trial of former Presidential Affairs Minister Baha' al-Din Muhammad Idris is scheduled to begin next Saturday morning at the now dissolved Sudanese Socialist Union. Prosecution document had been handed over to the defendant last Monday and the prosecution council and the court and agreed on the date fixed for the beginning of the trial.

Al-Dhahab Sends Message to Uganda's Okello

JN311445 Khartoum SUNA in Arabic 1420 GMT 31 Jul 85

[Text] Kampala, 31 Jul (SUNA) — Lieutenant General Tito Okello, chairman of the Ugandan Military Council, has received a message from General 'Abd al-Rahman Muhammad Hasan Siwar al-Dhahab, chairman of the Transitional Military Council. The message expresses the Sudanese Government's concern over the developments in fraternal Uganda and asserts that Sudan is looking forward to establishing strong relations and cooperation as well as good-neighborly ties with Uganda. This came when Brigadier Bazilio Okello, member of the ruling Military Council in Uganda, received His Excellency 'Ali 'Abd al-Rahman Numayri, Sudanese ambassador to Uganda, at noon today. Bring Bazilio thanked Gen Siwar al-Dhahab and the Sudanese Government for their concern and asked the ambassador to convey the Ugandan Military Council's greetings to the Sudanese Government and people.

Results of SPLA Raids in South Reported

EA311613 (Clandestine) Radio of the Sudanese People's Liberation Army in English 1300 GMT 31 Jul 85

[Text] An SPLA radio correspondent accompanying forces of 1st Brigade of Jarad now deployed in Southern Upper Nile and Equatoria Administrative Areas says that units of this force under the command of Major Abang Abang (?Dhol) carried out recently a highly successful raid against enemy targets in their assigned areas of operations.

According to the correspondent, a platoon of Rad [thunder] Battalion led by Lieutenant Jok (Dum Mayum) and (Juban Adut) conducted the raids in which two enemy trucks were destroyed and an indeterminate number of enemy troops killed. It is worth mentioning that the gallant forces of Jarad 1st Brigade, which is under the overal command of Major Arok Thuon Arok, member of the Sudanese People's Liberation Army High Command and zonal commander of Southern Upper Nile and Equatoria Administrative Areas have dealt the enemy a series of painful blows ever since the enemy offensive in the area started on the 10th of July 1985.

ETHIOPIA

EPLA Says 87 Government Troops Killed 28-29 Jul

EA010907 (Clandestine) Voice of the Broad Masses of Eritrea in Amharic 0500 GMT 1 Aug 85

[Text] The invincible Eritrean People's Liberation Army [EPLA] fighters have scorched an enemy army with their revolutionary flame. It was operating at a place called (Mobolo) on Akordat-Barentu road on 28 and 29 July 1985 and was trying to recapture Barentu town and the EPLA foiled the plan of the Dergue's high army commanders. During these 2 days of fighting, our gallant fighters killed 87 enemy soldiers, wounded 207, and captured 1. They also captured 18 Kalashnikovs.

KENYA

Obote Reportedly Leaves From Nairobi Airport

JN011134 Khartoum SUNA in Arabic 1055 GMT 1 Aug 85

[Excerpts] Nairobi, 1 Aug (SUNA) — Some 150 cars carrying diplomatic and UN plates arrived in Busia on the Ugandan-Kenyan border yesterday evening in what seems to be an evacuation of those who are working for foreign embassies and the United Nations. The evaucuees are mostly British and U.S. citizens and UN employees. The Kenyan authorities have adopted stringent security measures on roads leading from Ugandan border cities to Nairobi.

Meanwhile, SUNA has learned from its own sources that former Ugandan President Milton Obote was seen leaving Jomo Kenyatta Airport yesterday morning on board a private plane. Some believe that he was leaving Kenya, while others believe that he was on his way to one of the Kenyan cities near Nairobi.

First Group of Evacuees From Uganda Arrives

EA311758 Nairobi KNA in English 1716 GMT 31 Jul 85

[Text] Busia, July 31 — Western diplomats and foreigners in Uganda continue to arrive at the Busia border from Uganda's capital city of Kampala. The first batch of evacuees crossed into Busia (Kenya) at around 12.45 pm as others continued to arrive at intervals of 30 minutes.

As at around 3.40 pm this afternoon, a total of 184 arrivals had already booked in at the Kenya's immigration point which has been set up at the Busia farmers training centre.

Among them are 81 Britons, 49 Americans as well as 7 Kenyans. Immediately on arrival, the evacuees were received by the Busia DC Mr Daniel Omangi and transported to the farmers training centre.

Embassy officials from Nairobi have set up posts to assist their compatriots with clearance problems.

SOMALIA

Defense Minister Discusses Exercises With U.S.

EA311646 Mogadishu Domestic Service in Somali 1115 GMT 31 Jul 85

[Text] The SDR's [Somali Democratic Republic] first vice president and defense minister, Challe Lieutenant General Mohamed Ali Samantar, today said that a joint SDR-U.S. military exercise will officially take place in the country tomorrow.

In a press conference at the SDR defense headquarters in Mogadishu this morning, which was attended by local and foreign journalists and Challe Brigadier-General Ahmed Suleiman Abdulle, who is also a member of the Political Committee of the Central Committee of the SRSP and the SDR interior minister, deputy defense ministers, and other senior officers of the SDR Armed Forces, Challe Lieutenant General Mohamed Ali Samantar said that the week-long military maneuvers codenamed "Bright Star" is slightly different from earlier joint exercises carried out.

SDR Defense Minister Challe Lieutenant General Mohamed Ali Samantar, said that maneuvers jointly carried out by SDR and U.S. forces have great benefits for both sides such as technical know how, military tactics, and other things.

Challe Samantar said that the U.S. forces will leave SDR territory after the joint exercises. Answering a question on U.S. military assistance to Somalia, Challe Samantar said that we receive the most up-to-date military hardware from the United States.

On the outcome of the recent attack on the SDR by the Abyssinian enemy forces on 11th July on the (El Modan) area in Ghel Gudut region, the minister said that the enemy forces that launched the naked and provocative aggression on the SDR were composed of four brigades, but were crushed by one SDR brigade. The fighting, which lasted for 4 hours, ended with a great victory for the SDR Army.

Challe Lieutenant General Mohamed Ali Samantar further added that the SDR Army stationed at (El Modan) area in the Ghel Gudut region, central Somalia, gallantly defended their sacred soil from the black colonialist Abyssinian forces who attempted to violate and enter the SDR territory and won praise from the entire Somali community.

Answering another question on the settlement shemes currently being carried out by the Abyssinian regime along the River Shabelle, the vice president said that the program has sinister motives because after the black colonialist regime of Addis Ababa failed to subdue the gallant Western Somali Liberation Front, Somali Abo, Tigrai, and other fighters by military might, the Addis Ababa regime is planning to cheat them into some form of settlement and later ensure that they perish through starvation.

UGANDA

Paulo Muwanga Sworn In as Prime Minister

Tito Okello Address

EA011259 Kampala Domestic Service in English 0805 GMT 1 Aug 85

[Speech by Lieutenant General Tito Okello at swearing-in ceremony for Prime Minister Muwanga at Parliament Buildings in Kampala — live, in Swahili]

[Text] Religious leaders, [word indistinct] of Uganda, ladies and gentlemen: I would like to explain to you briefly why the city of Kampala, Jinja, and other parts of Uganda have been rocked by such serious disturbances today. I want you to understand. Listen to me very closely. If you cannot understand, do not rely on the rumors that you hear. I want you to understand completely.

The first thing: The revolution, which today, or since Saturday 27th, how did it happen? The revolution took place earlier [word indistinct], Obote as the president of Uganda since those days, when his presidency matured on 27th, Obote himself staged the revolution. Obote himself created [words indistinct] revolution. Obote, (?you) father and (?you) sisters, you elected him since 1961 as president of Uganda. Obote continued with the task of his administration, and every year Obote spilled blood. Those are other matters which I shouldn't like to (?discuss), but let us take today's measure.

Why did Obote stage a revolution? Obote staged a revolution among soldiers — so that soldiers may fight each other. My brothers, my sisters, I think we all know the fox, a wild animal similar to a dog. If you order your dog, no matter how fierce the dog is, to go and capture the fox, will it capture it? If you order a very fierce dog to go and capture a fox, would the dog capture the fox or would the fox capture the dog? They are brothers, they are friends, and of the same blood, these other soldiers.

Obote, Smith Opon, Ogole and others, police fellow Okech, Otai, they let people loose from Makindye [prison] to go and fight in Mbuya. That is the truth. When the soldiers arrived at Mbuya instead of fighting each other, they arrested Opon and brought him down. They removed his tough cap. What type of cap is it? A helmet. He remained there. They removed Opon's jacket and the officer in charge of Mbuya said: Do not kill him. Since we are dogs, dogs do not kill him. So they left Opon alone. They left Opon alone.

If the soldiers were bad, and if the leader was similar, Opon would have died there and then.

Obote failed to resolve this. Obote as the commander in chief failed to contain a tribe but instead said: Fight the Scholis. How can Obote say that he has his people, the Lango, and Ogole, (Ogeny), Otai are waiting to fight between the Lango and Acholi soldiers. Patriots, does Obote know [word indistinct]?

If you go this place, Kabale, it is a very cold area. If you get to Kabale, it is a cold area. Whether you are sleeping in a hotel or staying with friends, there will be a bed cover on your bed and on top of it there will be a blanket. You have to be a madman to throw away the blanket and say let me cover myself with a bed cover alone. Doesn't Obote know that the Acholi and soldiers from all the other tribes are a better blanket than the Lango? Doesn't he realize that?

I call on you the people to resolve that. It is not my job to abuse Obote. Obote has committed a bad deed, a deed which he cannot justify or cover up. That deed was very bad for the youth, the children, and the women of Lango. Many of you understand that the Lango and the Acholi use the same language. Many of you understand that the Acholi and Lango intermarry. Some of the adult fellows, those who are older than me, the mothers either come from Lango or Acholi.

What can Obote do? Let Obote come back here and explain to the Lango. You, the people, call Obote back and tell him to cover the wounds he has inflicted — he has cut the hand of the Lango and he has cut the hand of the Acholi. Such is not my job.

The second point: I understand that old patriots of UNDA [expansion unknown] are present here. I did not begin taking a step against Obote because I wanted Tanzania, Kenya, and all the neighbors around here, such as Rwanda and Burundi, to suffer from their goods which pass through here. That was not my intention. No, not at all.

I took this step because Obote wanted to fight the soldiers and I showed him that Obote you cannot fight the soldiers — you yourself will flee. Obote has fled and his stooges are here.

There are stooges — Obote's stooges. I hear them firing guns sporadically. When you arrive home today eject him. Eject him completely. I am as mad as Obote and (Joe Oduori) and others and Ogole to go and attack homes [as heard]. What type of government? If you attack homes where will you sleep tomorrow? [Applause]

I am not foolish to tell soldiers to fight each other. Is there a bullet that would distinguish between the Acholi and Lango? Is there? You the wise ones, are there bullets that you manufacture that distinguish between the Acholi and the Lango? [Laughter] Isn't that a madman's idea?

Therefore, I want our colleagues' goods at the border or here in Kampala to proceed on for a brief period. But I will continue to tell people, members of the Defense Council, to deal more cautiously with goods belonging to Rwanda, Tanzania, Kenya, Sudan, and Zaire so that they are not damaged. They should not be damaged even slightly — including goods belonging to patriots.

Stealing cars and looting is not the work of us soldiers. I am a soldier. I am a soldier. I started as a soldier right at the bottom; I was a private. I hope that my experience as a private enables me to understand matters from the grassroots. My people, who are uniformed just like me, will hear me more attentively.

Thank you very much. [Applause]

Patriots, I want to briefly explain to you. We sat today, with the military council. We met and discussed things very seriously. Patriots, you understand that you walk by lifting one foot at a time. That is how one walks. When the two feet are on the ground you stop wherever you are. When both feet are on the ground you stop wherever you are, but when one is lifted up you start walking.

Patriots, let it be clear that I personally and my fellow members of the council did not plan to have Paulo Muwanga become the interim prime minister because Paulo Muwanga was with Obote. There is nothing like that and I know the origin of Obote and Muwanga. But Muwanga was selected by my council to be the interim prime minister. [Applause]

I call on you, the Baganda patriots present here, not to rumormonger on tribalism, saying Paulo Muwanga comes from Mukono and others saying that Paulo comes from Mityana. [Laughter] Do not think that because Paulo Muwanga did not go to Makerere University only those of you from Makerere with a chain of degrees are capable of working. [Applause] Remove that from your heads. The idea of saying that so and so has no education does not only apply to you, the Baganda, but to all in Uganda. They think that leadership emanates from a Makerere education. To think this is to cheat yourself. You are completely deceiving yourself. That is what creates so much discord among you that you cannot live in harmony. It creates much discord. Leadership depends on one's experience.

Apart from that, in brief, after the ceremony is over I would like to meet all party leaders at Nile Mansions at 12 noon. If you are in the process of forming your party do not come. [Laughter] I want the parties that have matured. Some have tried to eat a little like that of (Kageni Okech). If he is present let him come. But those that have not matured let them wait.

I did that compatriots. [As heard] Unfortunatey some people died. Unfortunately people died.

But if people died in Kampala they were killed by Obote's stooges. People died. They were killed by Obote's stooges since there were three corpses at Entebbe State House. Who was living there? My men, who took the step 300 miles away, took 2 days to arrive in Kampala. They arrived in Kampala on the second day. They did not fire a gun. How could they have killed without firing a gun from a place like Gulu to this place?

Therefore, Uganda patriots, I do not want to see human blood with my eyes. I do not want to. I do not want that at all. That is how I feel. I do not want to see that.

Lastly, gentlemen, permanent secretaries, the whole community should enjoy the freedom to execute their administrative duties in their offices until such time that we get people to run the offices with them. I shall appreciate it if the patriots of Uganda will follow this. If you do not return, you will not go to the office because as permanent secretary you were Obote's yes-man, so do not blame me.

Ladies and gentlemen, [word indistinct] your majesty [words indistinct]. Thank you very much.

Muwanga Speech

EA011021 Kampala Domestic Service in English 0830 GMT 1 Aug 85

[Speech by Prime Minister Muwanga at his swearing-in ceremony at parliament buildings in Kampala — live, in Swahili]

[Text] Ndugu Chairman, army people of the military council, and fellow citizens: Just 5 minutes ago you were able to listen to the speech by his excellency; mine will be very short.

I have been charged with the task of leading the government, under his excellency. The task is tough, but I pray that God will help me so that understanding can come about among us, the citizens of Uganda. [Applause] If there is understanding, wewill be able to carry any burden, be it a heavy one like the Egyptian pyramids, shoulder to shoulder. This is the most important thing.

Maybe today, in the afternoon or in the evening, there will be a statement to let you know who will be the ministers, whom we will be working with. I will not elaborate much on this matter, because I have had an opportunity to hold talks with the president and his friends on the ways we will follow to bring about security in the country of Uganda and stop bloodshed. [Applause]

I meditated hard before I could agree with his excellency the old one [the head of state] to take this job, but I saw that his goals and those of his friends are to seek a way of bringing security to Uganda, as a beginning, for Uganda to continue in the good way. I therefore agreed to help him and help them. But my task is to bring unity among you so that with all our friends we can work shoulder to shoulder.

I call on you, old man, all that you told the citizens, has been heard properly and has been welcomed in their hearts.I hope that in the end they will be the strong foundation we shall use to build Uganda.

We are here. In this world there is only one Uganda. There are not two Ugandas in the whole world. There is only one Uganda. That is why we will dedicate ourselves to the work and see to it that the disorders mentioned by his excellency cannot come back to uganda.

And you fellow Bagandas, I am an old man from [place indistinct] and fellow Bagandas, this government is not a party government. Therefore, do not go looting your fellows' properties on a partisan basis. If somebody does that, the long arm of the law will get hold of him. And if it catches him, he will have himself to blame.

I still have lots of thanks for giving me the opportunity to carry out this difficult task. I think that I will get the ability to do so from the citizens of Uganda since they have the reason and the determination.

Thank you very much.

Muwanga Takes Oath of Office

EA011034 Kampala Domestic Service in English 826 GMT 1 Aug 85

[Oath taken by Prime Minister Paulo Muwanga at ceremony in Parliament Buildings in Kampala — live]

[Text] I, Paulo Muwanga, being appointed prime minister of Uganda, swear that I will at all times well and truly serve the Republic of Uganda in the office of prime minister, and that I will support and uphold the Constitution of the Republic of Uganda as by law established, and that I will to the best of my judgment, at all times where thereto required to, freely give my counsel and advice to the chairman of the military council and head of state and his successors in office as by law established for the good management of the public affairs of the Republic of Uganda, and that I will not directly or indirectly reveal any matters as shall come to my knowledge in the discharge of my duties and committed to my secrecy, so help me God. [Applause]

I, Paulo Muwanga, swear that I will be faithful and bear true allegience to the Republic of Uganda and that I will preserve, protect, and defend the Constitution, so help me God. [Applause]

I, Paulo Muwanga, being appointed member of the Cabinet, swear that I will not directly or indirectly reveal such matters as shall be debated in the Cabinet as committed to my secrecy, so help me God. [Applause]

Ex-Ministers at Ceremony

EA011030 Kampala Domestic Service in English 0737 GMT 1 Aug 85

[From relay of swearing-in ceremony for Prime Minister Paulo Mwanga at Parliament Buildings in Kampala]

[Excerpts] Here we have begun to see faces we haven't been seeing since the coup on Saturday. For example, the former ministers here I can see the former minister, Rurangaranga, has come. We haven't been seeing him for quite a time. The former deputy minister of information also was here. I can see the former minister of marketing and cooperative, Kanyamozi, and several others of the faces we haven't been seeing. But as I tell you, we have already heard on arrival Brigadier Bazilio Okelo who led the coup and he was accompanied by the brigade commander of Central Brigade [rank and name indistinct] and several others high-ranking officers.

But among the arrivals, those I cannot forget and those who cannot miss are high court judges. We can see Mr Justice Oteng. Emmanuel (Aldo) Oteng is ready in his ceremonial robe and flanked by Chief Justice Oku and Mr Justice Kicho. Another new face just arriving is the former deputy minister of lands and service, (Basira). Those arriving, you remember that immediately after the coup, the announcement went on air to call those former ministers to report to the senior police officers mess and I think that those who did are those we are seeing here now and they look very jovial and they haven't been harassed or anything or any report you might hear. According to what I can see as an eyewitness they are very jovial.

Right there is the former minister of power, Akena Pojok, and several others and permanent secretaries who up to now are holding the portfolio of ministers in their respective ministries.

In another quick observation is that the other time the former MP's of the DP [Democratic Party] were very many here led by their leader Kawanga Semogerere [as heard]. Today have not seen any face as yet. But among those who missed on Monday I can see the leader of the Conservative Party Mayanja Knangi is here. For the first time I am seeing him without help in a suit. He's ok but he's without a tie.

The other day as you heard, a military council was formed and its chairman and head of state is Gen Tito Okello, but we have on the Council Brig Bazilio Okelo, Lieutenant Colonel Nanyumba, we have Colonel Mururu, we have Colonel Toko. Col Toko is the general manager of East African Airways. He is the man who used to be in the Air Force and until he was appointed the director general of the then East African Airways. He has come back to be the head of Uganda Airlines. We have Colonel Oketcho, then Salim Salim, Colonel Nyero and secretary is Justin Okot. Justin Okot, former chairman of the Produce Marketing Board, managing director, is the only civilian in the military council here as you can see it.

Cabinet To Be Formed

LD010951 Kampala Domestic Service in English 0849 GMT 1 Aug 85

[Text] For the second time in a week we have two swearing-in ceremonies. One was for the head of state on Monday. This one has been of Paulo Muwanga who has been appointed executive prime minister of Uganda.

Two important things: that right now the head of state is in the process of meeting the political leaders, those in major political parties. He has said those who are still forming political parties should not go but of course those established parties are going to be met by the head of state at Nile Mansions.

Then in the prime minister's speech, he hinted, as I said, that the cabinet is about to be formed. He hinted that some time today, maybe this afternoon or at night, the new cabinet will be announced and I just beg you to keep tuning to Radio Uganda. You will have a new cabinet, a broad-based cabinet as they say.

Okello Reportedly Names Military Council

AB311736 Paris AFP in English 1733 GMT 31 Jul 85

[By Mukyusa Jeng]

[Excerpt] Kampala, July 31 (AFP) — Uganda's new ruler General Tito Okello has named a nine-member council, including two civilians, to run the country, reliable sources said here today as reports continued of killing and looting in some areas.

There has so far been no official announcement of the full makeup of the military council, to be headed by Gen. Okello. But sources close to the new authorities confirmed that retired Air

Force Colonel Wilson Toko had been selected as Gen. Okello's deputy.

Other military members of the body were named as Northern Army Commander Brigadier Bazilio Olara Okello (no relation), whose troops spearheaded Saturday's coup against President Milton Obote, Colonel Zeddi Maruru, Lieutenant-Colonel Sam Nanyumba, Colonel Fred Ocheko and Colonel Jack Nyiero.

The sources said two civilians were also included in the council, Salim Saleh and lawyer Justin Okot, who was named as council secretary.

Uganda radio today confirmed that Brig. Okello had been named a senior member of the council, but he apparently chose not to seek the vice-chairman's post, possibly to avoid offending tribal sensitivities. Both Brig. Okello and Gen Okello are from the northern Acholi tribe.

Gen Okello returned to Kampala today from a one-day visit to neighboring Tanzania for talks with President Julius Nyerere, Uganda's close regional ally under Mr Obote. On his return, he drove through the streets of Kampala seated in the front seat of Landrover in a 10-vehicle convoy, stopping at several roadblocks to talk to the soldiers manning them.

Military Council To Adhere to Obligations

EA311446 Kampala Domestic Service in English 1303 GMT 31 Jul 85

[Excerpt] You are turned to Kampala. Special announcement: The military council warns the public that looting and killing to settle old scores must stop forthwith. Drastic measures will be taken against anyone found involved in these dastardly acts. The council also wishes to inform the international community that all international obligations signed by the former regime will be adhered to.

All public servants are advised to report for duty and carry out their assignments normally. All those working in the Republic House are requested to report for duty with effect from tomorrow, Thursday, 1st August 1985. All those working in the city council, both senior officers and workers, are to report and carry out their assignments.

Troops Loyal to Obote Preparing Counterattack

EA011143 Dakar PANA in English 1030 GMT 1 Aug 85

[Excerpt] Nairobi 1 Aug (KNA/PANA) — Soldiers loyal to the deposed president, Milton Obote were yesterday reported to have assembled for retaliation against the new military leaders. This turn of events raised tension in Kampala and other towns as news spread that troops loyal to Obote were preparing to fight the new regime. According to the reports, the soldiers loyal to Obote regrouped in Lira, the home town of the toppled president and went on to capture Mpoma satellite station. They also took captive soldiers who were guarding the station and a reinforcement of several truckloads of soldiers had to be sent by the new military rulers to Lira for reprisals.

Other reports say that members of the National Resistance Movement (NRM) have reached Kawembe, five miles from Kampala, while others had camped at Mpererwe, six miles from Kampala. They are reportedly armed with sophisticated weapons although they are wearing civilian clothes. The NRM is reported to [have] expressed annoyance at not having been consulted over the appointment of administrative council members by the new military leaders.

'Tension' Grips Kampala

EA010746 Nairobi DAILY NATION in English 1 Aug 85 p 1

[By Edward Kitaka, *NATION* correspondent in Kampala]

[Text] Kampala was gripped by tension last night following reports of fresh violence, looting and threats from various quarters against the new military regime of General Tito Okello, who toppled President Milton Obote's government on Saturday. Informed sources said pro-Obote forces had regrouped near his home town of Lira in northern Uganda to wage a struggle against the new rulers in Kampala and as a result nine truckloads are said to have been dispatched from the Bondo Garrison, 20 miles north of here, to quell the new threat.

There is still no word from the National Resistance Army of a former defence minister, Mr Yoweri Museveni, who has been asked to co-operate with the new authorities. Reports, however, insisted that his troops are not very far from Kampala.

But confirmed reports reaching Kampala from western Uganda said members and supporters of Dr Obote's Uganda People's Congress (UPC), were having it rough. In Bushienyi and Mbarara Districts many UPC supporters had had to flee and others were sleeping in the bush as the residents started taking revenge for what they believe was harsh treatment they suffered at the hands of UPC. The houses of at least two Obote ministers, Mr Edward Rurangaranga, and Mr Chris Rwakasisi, were badly looted and destroyed.

Kampala Residents Urged To Cooperate With Council

EA311955 Kampala Domestic Service in English 1900 GMT 31 Jul 85

[Text] The district commissioner, Mr (Ntwaba Buturo), has appealed to all the residents of Kampala to give maximum cooperation to the military council so that complete law and order can quickly return to the capital city and the whole district.

In a statement issued this evening, the district commissioner commended the police and army for the good work done in restoring law and order in the city.

Once again the district commissioner called upon all the residents of the district to resume their duties immediately. He particularly appealed to all government employees to report for duty promptly.

In another development, the district commissioner today met senior police commanders within Kampala District, including

Captain (Esau Tisakira) and the inspector general of police, who called upon police officers to come out boldly and without fear and execute their duties so that the work of the military council of restoring law and order is made easier. Capt (Tisakira) noted that the citizens were anxious to experience conditions of peace and stability, which the military council has come out to create. He therefore called for dedication and cooperation among various officers on one hand and the civil population on the other.

Security Personnel Ordered To Surrender Arms

EA311450 Kampala Domestic Service in English
1400 GMT 31 Jul 85

[Text] Before we bring you the 5 o'clock news bulletin, here are some more special announcements:

On the orders of the military council, all parties formerly employed in the National Security Agency, NASA, are hereby required to report to the nearest police station to register their names and at the same time surrender all types of weapons they may have in their possession. Police officers commanding their respective stations are to take charge of this exercise personally and submit their reports together with the arms so surrendered to the military council. On the order of the military council, looting of goods of any kind must stop forthwith. Anybody found looting property, specially motor cars will be dealt with according to the law.

Army, Police Patrol To 'Keep Peace' in Jinja

EA311859 Kampala Domestic Service in English
1730 GMT 31 Jul 85

[Excerpt] The acting senior officer, 20th Battalion, Jinja, major (Valantino Otto), has assured residents of Jinja that a combined police and army patrol will be mounted in the area to keep peace and order. He was speaking at a big gathering of Jinja residents in the town hall.

The major urged businessmen to open up their shops and other businesses and operate normally. He urged [word indistinct] of looting by army personnel and assured the people that all non-commissioned officers will be returned to the barracks.

He also authorized the residents to arrest the (?Balebesi) and hand them over the authorities. The major however warned them against harboring deserting security personnel and asked such deserters to return to their respective units or report to Kampala police officers' mess by tomorrow.

The commanding officer also warned people of other political beliefs who are harassing and even destroying lives and property of former UPC [Ugandan People's Congress] supporters to stop it immediately because the takeover was not a political but a military one. He called for peace, unity and freedom of worship and castigated tribalism.

Bank Governor Calls 'Urgent' Financial Meeting

EA011147 Kampala Domestic Service in English
1012 GMT 1 Aug 85

[Text] The governor of the Bank of Uganda requests the secretary to the treasury, the permanent secretary, Ministry of Commerce, the commissioner, customs and excise, and the chairman, Uganda Advisory Board of Trade, to attend an urgent meeting today, Thursday, 1 August 1985 at 2 p.m. in the Bank of Uganda

If they cannot personally attend, they should be adequately represented.

BURKINA FASO

Council of Ministers Discusses People's Tribunals

AB212130 Ouagadougou Domestic Service in French 1900 GMT 31 Jul 85

[Excerpts] The Council of Ministers met on Wednesday, 31 July 1985, under the chairmanship of Comrade Captain Thomas Sankara, chairman of the National Council of the Revolution and president of Burkina Faso. They examined the dossiers on its agenda.

Under the Ministry of Justice, the council approved three texts concerning the creation, organization, and running of people's tribunals in wards, villages, districts, and provinces of Burkina Faso. The first text is an ordinance concerning the creation and organization of people's tribunals in wards, villages, districts, and provinces. This ordinance aims at decentralizing the judicial system and its actual exercise by the people at all levels of the society. The second text is a decree concerning the establishment of a legal control commission which will control the activities of the people's tribunals in the wards, villages, districts, and provinces. The third text is a draft decree concerning the code of conduct of members of those people's tribunals.

These three texts of great political importance fall within the framework of the strengthening of the people's power and the establishment of a genuine revolutionary justice.

Before ending its meeting, the council made some appointments and instituted various sanctions against some civil servants. Among those dismissed was Tabsoba Emmanuel, a messenger who was caught red-handed stealing confidential documents from the president's office.

NIGER

Four Loan Agreements Signed With France

AB312257 Niamey Domestic Service in French 1200 GMT 31 Jul 85

[Text] The minister of finance, Mr Boukary Adji, and the director of the French Central Fund for Economic Cooperation in Niger, Mr (Serge Mickailov), today signed four loan agreements for a total value of 9.76 billion CFA francs. The signing ceremony took place in Niamey in the presence of the head of the French cooperation mission, Mr (Millet).

The first loan agreement involves 1 billion CFA francs repayable in 30 years with a 10-year moratorium and an interest rate of 1.5 percent up to 1995. The loan is meant for the financing of a program of rehabilitation of the Benin-Niger Joint Railroad and Transport Organization. The program covers a financial restructuring phase, a physical investment phase, and a program support phase totaling 8.65 million CFA francs divided between the organization itself and the two member states.

The second loan agreement, involving Fr60 million or 3 billion CFA francs, is to be repaid over 30 years with a 10-year moratorium at the rate of 1.5 percent up to 1995 and 2 percent thereafter and is meant for the program of financial reorganization of the Niger Food Production Board, OPVN. The OPVN is currently facing a financial situation which is incompatible with its mission. To remedy the situation, the government has decided to use this loan and other loans to reestablish the financial equilibrium of the board.

The third loan agreement for Fr15.2 million, that is 760 million CFA francs over 30 years, including a 10-year grace period at 1.5 percent up to 1995 and 2 percent thereafter, will be used to finance the continuation of the Maradi project mainly through research activities, development of rainfall, and irrigated farming, and the development of market gardens in the Goulbi valleys.

The fourth loan agreement of Fr100 million, that is 5 billion CFA francs, is repayable in 15 years with a 5-year moratorium at the rate of 8.66 percent. This aid, described as exceptional, represents the last installment of a master agreement of Fr300 million and will cover a 3-year period. It also will supplement the budgetary deficit in the face of the state's needs in the field of public investment and public finance reorganization.

NIGERIA

Magoro on Residence Permits for ECOWAS Citizens

AB311930 Lagos Domestic Service in English 1800 GMT 31 Jul 85

[Excerpt] Citizens of member countries of ECOWAS will no longer be required to obtain resident permits before working in member states when the second phase of the ECOWAS treaty on the free movement of people comes into effect in July next year. The minister of internal affairs, Major General Mohammed Magoro, stated this today while speaking to newsmen at the end of his tour of customs formations in Lagos area. Correspondent Musa Ali was there:

The minister explained that at present, Nigeria had the right to expel any foreign national without valid papers as stipulated in the first phase of the ECOWAS protocol. The minister said that the mass media should inform and educate Nigerians on the issue as from now till next year.

SIERRA LEONE

President To Open 4-Day Party Conference

AB010737 Freetown Domestic Service in English 0730 GMT 1 Aug 85

[Text] A 4-day national delegate conference of the ruling All People's Congress, APC, will be formally opened this morning by President Siaka Stevens at the (Badi Moni) Conference Center.

ANGOLA

Defense Forces Repulse UNITA Attack on Balombo

MB010725 Luanda Domestic Service in Portuguese 0500 GMT 1 Aug 85

[Text] Angolan national defense and security forces vigorously repulsed a UNITA bandit group that was attempting to attack Balombo municipality in Benguela Province on 24 July. Hotly pursued by the defense and security forces, the bandits left behind many of their dead colleagues. Completely helpless as a result of the vigorous action of our armed forces, the puppet group was forced to flee and burned down 38 residences in Canjala village in its disorderly retreat.

While fulfilling the honorable mission of defending the fatherland from enemy attacks, two valorous combatants of the national defense and security forces were killed.

At a rally held in Balombo the day after the attack, local residents in Balombo condemned UNITA crimes and reaffirmed their decision to defend the Angolan revolution.

BOTSWANA

Government Asks 24 ANC Refugees To Leave

AB010800 Paris AFP in English 0732 GMT 1 Aug 85

[Excerpt] Gaborone, Aug 1 (AFP) — A total of 24 African National Congress (ANC) refugees from neighboring South Africa have been asked to leave Botswana as soon as possible, reliable sources said here Wednesday.

The 24 names, including a professor of literature at the University of Botswana, were handed to an ANC representative this week, the sources said. The ANC has been fighting against South Africa's white minority government since it was banned there in 1960.

The professor of literature, Willie Keorapetsa, a poet, has been lecturing in Botswana for the last year and a half.

Also on the list were a lawyer, Thami Nkqayi, and Livi Phahle, brother of George Phahle who was one of 12 people killed in a South African Defence Force raid here on June 14.

MALAWI

UN Official Arrives, Meets President Banda

MB311824 Blantyre Domestic Service in English 1600 GMT 31 Jul 85

[Text] The president of the UN General Assembly, Mr Paul Lusaka, now visiting Malawi, has urged countries in Africa, Latin America, and Asia to realize that there is no alternative to the United Nations for their political security, as well as their economic and social development.

Mr Lusaka was speaking this morning after calling on His Excellency the Life President Ngwazi Dr Kamuzu Banda at Sanjika Palace in Blantyre. Mr Lusaka said developing countries, especially those in Africa, should dedicate themselves to the principles and ideals of the United Nations to ensure the world body's efficiency and credibility. Mr Lusaka, who is president of the 39th session of the UN General Assembly, is on a regional tour of seven African countries, and arrived in Malawi yesterday from Zimbabwe.

MOZAMBIQUE

RENAMO Forces Abduct Two UK Citizens Near Luabo

MB010827 Joahnnesburg SAPA in English 0756 GMT 1 Aug 85

[Text] Durban, Aug 1, SAPA — Two British employees of a Durban company had been abducted by RENAMO guerrillas in Mozambique, the Department of Foreign Affairs confirmed last night.

The men, part of a group of 16 Techserv employees working in Luabo, had been taken near the town on Tuesday.

The plant equipment firm has about 60 employees there.

The company's owner, Mr R Walsh, said last night: "There has been an incident, but I am not prepared to comment."

Relatives of the abducted men had not yet been informed.

A spokesman for the Department of Foreign Affairs said the matter was being investigated.

NAMIBIA

RSA Army Chief Says SWAPO Insurgents Halved

MB311848 Johannesburg SAPA in English 1839 GMT 31 Jul 85

[Text] Windhoek, July 31, SAPA — The number of SWAPO insurgents operationally deployed against SWA/Namibia had halved over the past six years, the chief of the South African army and chief-designate of the SA Defence Force, Lieutenant-General Jannie Geldenhuys, said tonight.

Interviewed by the SWABC, he said the decrease in the numbers was not only attributable to successful security force operations, but also to the fact that insurgents were aiding the Angolan Armed Forces against UNITA rebels.

The was the price SWAPO had to pay for the privilege of having bases in Angola, he said.

Present insurgent activities, such as destroying telephone poles and murder, had to be conducted by the so-called elite special unit elements and this was an indication to what extent the military capability of SWAPO had degenerated, he added.

Gen Geldenhuys said security force activities had been utilised on other fronts to secure improvements in the political, constitutional and administrative arenas in SWA/Namibia.

This had shown to the outside world that there were other positive forces at work within the territory.

Because of this, the international community no longer regarded SWAPO as the sole and authentic voice of the people of SWA/Namibia.

SOUTH AFRICA

Botha, Businessmen Discuss Lifting Emergency

MB011341 Johannesburg SAPA in English
1340 GMT 1 Aug 85

[Text] Pretoria, Aug 1, SAPA — The state of emergency would be lifted as soon as possible, the state president, Mr P.W. Botha, told a combined Association of Chambers of Commerce [ASSOCOM] and Federated Chamber of Industries [FCI] delegation in Pretoria today.

A press release from the two organisations afterwards said the group had conveyed to Mr Botha their concern about the need for "real change" and urged "visibly effective" dialogue between government and black leaders to promote political stability.

They were told the government's basic commitment to reform "was undiminished."

The delegation also indicated businesses concern about the impact of internal and external threats on the South African economy.

ASSOCOM and the FCI had a two-hour meeting with the state president, Mr P.W. Botha, and five cabinet ministers in Pretoria today to discuss various aspects of the current state of unrest in South Africa.

The joint delegation was led by the presidents of the two organisations — Mr Michael Weir (ASSOCOM) and Mr John Wilson (FCI) respectively.

Against the background of the established public position of organised business in South Africa on the urgent need for real change, the delegation emphasised that, although law and order has to be restored in the short term, the reform process must be continued and strengthened.

The organisations were informed by the state president that the government's basic commitment to reform was undiminished, and that the present state of emergency would be terminated as soon as possible.

In this regard, ASSOCOM and the FCI urged the need for visibly effective dialogue between government and black leaders to occur in order to promote political stability.

The government accepted this in principle but emphasised the practical difficulties involved.

Apart from the political aspects of the present situation, it was emphasised that basic economic and social problems exist at local community level. It was agreed that this was a sphere where government and business could cooperate very usefully to tackle the issues involved.

The organisations indicated their concern about the impact of internal and external threats on the South African economy. The organisations emphasised the urgency of effective communication and the need to demonstrate visibly — internally and externally — the government's continued commitment to reform.

This discussion between organised business and govern was welcomed by both sides, and focused constructively on the essentials of the present situation. It was also agreed that further meeting between organised business and the authorities are necessary to deal with the basic issues faced by the country.

Further Reportage on Call for Sanctions

Norwegian Envoy Not Returning

MB311514 Johannesburg Domestic Service in English
1500 GMT 31 Jul 85

[Text] In Helsinki, Finland, the Norwegian minister of foreign affairs, Mr Svenn Stray, has said that his country's senior diplomatic representative in South Africa will not be returning to Cape Town at the end of his leave.

This is in protest agaisnt the state of emergency which is in force in South Africa. Mr Stray was attending a meeting commemorating the Helsinki Accord, at which 10 EEC ministers of foreign affairs are to consider a Belgian proposal concerning joint action in response to the partial state of emergency in South Africa.

Observers in Brussels said earlier that a difference of opinion between EEC countries concerning action against South Africa has raised serious doubts that a joint foreign policy will be formulated by the 10 countries.

EEC Favors Sanctions

MB311719 Johannesburg Domestic Service in English
1700 GMT 31 85

[Text] The EEC has come out in favor of economic sanctions against South Africa if this government fails to respond to world criticism of apartheid. The 14-man commission said in a statement after a lengthy debate in Helsinki that it was ready to propose economic sanctions if member states agreed.

The West German member of the commission, Mr (Karl-Heinz Neiers), was the only one to oppose the idea of sanctions. A copy of the commission's statement was handed to South Africa's envoy to the EEC, Mr Petrus Meyer.

The commission said that it deplored South Africa's intransigence in refusing to bow to the legitimate demands of the great majority of this country's population and said that this was to blame for the present violence in the country.

Portugal Opposes Sanctions

MB311933 Johannesburg Domestic Service in English 1900 GMT 31 Jul 85

[Text] The Portuguese foreign minister, Dr Jaime Gama, says Portugal has no intention of participating in what he described as the wave of sanctions and boycotts against South Africa.

Interviewed by Portuguese television in a program on South Africa, Dr Gama said the Portuguese Government's viewpoint on the situation was that South Africa needed bold reforms to achieve the required peace for all its communities.

He said Portugal had a correct diplomatic relationship with South Africa, which would not be changed. Dr Gama said Portugal was very conscious of the size and importance of the Portuguese community in South Africa and that the Portuguese Government would always keep them in mind when formulating its policy towards the republic.

Speaking on the same program, the South African deputy foreign minister, Mr Louis Nel, said the state of emergency was being overdramatized abroad. He pointed out that it affected only a fraction of South Africa's more than 260 magisterial districts.

Mr Nel, who has recently returned from Portugal, said the South African Government believes in future peace for all its communities, and playing its due role in the development of southern Africa.

Nel on Sanctions' Effects

MB311650 Johannesburg Television Service in English 1600 GMT 31 Jul 85

[Text] The deputy minister of foreign affairs, Mr Louis Nel, says the ability to ward off international sanctions no longer depends on the rate of reform in South Africa. Opening an Afrikaanse Handelsinstituut [Afrikaans Business Institute] seminar on labor relations in Pretoria, Mr Nel said this depended on the ability of the country to overcome misconceptions. Later, in an interview with Riaan Nel, the minister also referred to the effects that sanctions would have on southern Africa.

[Begin Louis Nel recording] As far as we are concerned, the moral blameworthiness of sanctions is ... [changes thought] must be regarded as similar to a chemical warfare against a particular region. You cannot detrimentally affect the position of the regional power without affecting all the other countries in the region as well. We say that the people who propose sanctions, and who fight for sanctions, are on the wrong side of morality, and we hope they will realize this as soon as possible. [End recording]

Du Plessis: Economy Prepared

MB010551 Johannesburg Television Service in Afrikaans 1800 GMT 31 Jul 85

[Text] Finance Minister Barend du Plessis says South Africa had prepared itself to resist onslaughts from abroad on its economy. Mrdu Plessis was reacting in Pretoria to reports that a major American bank was planning to withdraw from South Africa.

[Begin recording] There was a report that the Chase Manhattan Bank would call up all its loans. Later today, Chase Manhattan apparently issued a statement to the effect that the bank would not grant loans to the government — that is old news to us; we have known this a long time — and that they would keep a close watch on the rest of their loans here.

Now, we saw the effect of this immediately in the rand-dollar exchange rate and also in the interest rates. But we have to remember that the rand's value is determined by market forces, as are interest rates, and when there are reports, the market reacts. That is a well-known fact, which is also seen on the stock exchange.

But we are well prepared for this, because the whole question of disinvestment has been going for a long time. So we are in a position to weather the effects of such reports and even of actual actions. We are convinced that the market will soon recover. However, even if it were true that loans would be withdrawn, our economy is in a much better position than it was a year ago, so we would be in a position — and we are in a position — to repay our foreign loans. As a matter of fact, since last September we, as a country, have already repaid $2.5 billion in short-term foreign debts. [End recording]

U.S. Bank To Remain

MB311528 Johannesburg Domestic Service in English 1500 GMT 31 Jul 85

[Text] One of the biggest banks in the United States, Chase Manhattan, which also has financial relations with large private companies in South Africa, intends maintaining its office in South Africa.

Public affairs director of Chase Manhattan, Mr (Frez Seittel), has announced this in a statement issued in New York, in reaction to rumors in financial markets today that the bank would be taking a harder line on South African investments and possibly even be withdrawing from the country.

However, Mr (Seittel) says Chase Manhattan will be watching developments in South Africa very closely. Mr (Seittel) said it had been bank policy since 1977 not to lend money to public bodies, to the national states, or to South-West Africa, but to lend it only to private companies.

Money market sources told our economics staff that American banks had been analyzing their South African operations closely for the last 6 to 8 months. They had also been reviewing their outstanding credit.

Market sources also said that the creditworthiness of South Africa was still highly rated, in spite of recent political and economic developments in the country. This was because South Africa qualified on most criteria, such as meeting loan deadlines and having a stable government.

Commentary Praises Constructive Engagement

MB010750 Johannesburg Domestic Service in English 0500 GMT 1 Aug 85

[Station commentary: "South Africa and the United States"]

[Text] That there is considerable disagreement among South Africans about the policies and goals of the United States for their country is not surprising. It has been said that the American system of government is inappropriate to the role of a world power. The diversity of centers of power is too destructive of coherence and continuity in making and executing foreign policy.

Be that as it may, South Africa is certainly not the only country that has at times been left bemused by contradictory signals from Washington, nor is it alone in having suffered the kind of blow dealt by the Clark amendment, by which Congress virtually reversed the administration's policy of actively opposing Cuban intervention in Angola at the time of independence. That there is skepticism in some quarters about the American position on South Africa is, therefore, understandable.

The present chief cause is the dispute between the administration and Congress on sanctions. Three days ago, U.S. State Secretary George Shultz repeated that President Reagan intended opposing the congressional steps to suspend investments in South Africa, and a State Department spokesman pointed out that the interdependence of economies in southern Africa meant that black people in both South Africa and its neighboring states would be hurt by sanctions. For that reason the administration had consistently opposed additional punitive measures and would continue to do so. At the same time, however, a joint committee of Congress hopes to reach agreement this week on a sanctions package. Some observers believe that the president will be obliged to endorse it if it is similar to the legislation already passed by the Republican-dominated Senate.

There may be good reason for the skepticism. There is none for the notion that American involvement with South Africa and southern Africa is, therefore, somehow suspect. It is not only mistakes in confusing the centers of power and identifying which of them is in fact responsible for that involvement; it is a reaction that in misreading the nature of the involvement would have the effect of weakening South Africa's own international interests. For it overlooks essential differences between the American Administration's policy of constructive engagement and that of most Western Europe, which reacts to South African developments chiefly according to the dictates of internal politics and Third World alliances.

The election of President Ronald Reagan resulted in a sharp change of course on South Africa. That America had vital strategic interests in southern Africa was overtly recognized. The policy formulated to protect those interests stressed the need to remove Soviet surrogate forces and the creation of a regional order based on peaceful relations and development through cooperation. It acknowledged that those goals could be achieved only with the support of South Africa, on whose goodwill the destiny of the subcontinent depended.

On South Africa, the perception was that since the instability resulting from race conflict was itself an obstacle to regional stability, the country ought to be encouraged rather than hindered in pursuing its program of political reform. His government had no constitutional prescription, Dr Chester Crocker said. What it wished to see was evolution to some kind of system that had the support of the majority of the people.

There is a striking correspondence between South Africa's own objectives and those articulated in the constructive engagement policy. The resultant benefits for this country have been substantial, and despite intense political lobbying against the policy and inroads into it by Congress, America's top policymakers remain adamant that constructive engagement will continue.

The value for South Africa of that fortuitous circumstance, particularly at this juncture in its foreign relations, cannot be overestimated.

Tutu May Join Church Delegation To Meet Botha

MB311711 Johannesburg Domestic Service in English 1700 GMT 31 Jul 85

[Text] The Anglican bishop of Johannesburg, Bishop Desmond Tutu, will probably be invited to be part of a delegation of church leaders who will be meeting the state president, Mr P.W. Botha, to discuss the unrest in the country soon. The delegation will be led by the archbishop of Cape Town, the Most Reverend Philip Russell.

The Most Reverend Russell has said in Buenos Aires, where he is attending a congress of the World Council of Churches, that Bishop Tutu will probably be invited to join the delegation, but that it will depend upon Bishop Tutu himself whether he will accept the invitation or not.

Outdoor Memorial Services Banned in 36 Districts

MB311416 Johannesburg SAPA in English 1415 GMT 31 Jul 85

[Text] Pretoria, July 31, SAPA — Outdoor memorial services for unrest victims in the 36 magisterial districts affected by the 10-day-old emergency regulations have been forbidden, according to a government notice published today.

The minister of law and order, Mr Louis le Grange, announced yesterday that restrictions would be imposed on funeral services.

In the special notice, the commissioner of police, General Johan Coetzee, said the regulations were being implemented under the public safety act in respect of funeral ceremonies, processions and burials.

The notice forbids outdoor services to commemmorate the death or funeral of people who died of unnatural causes in any of the emergency areas. A service could only be held for one person at a time, the notice said.

"Only an ordained minister of a religious denomination or organisation may act as a speaker during any proceedings at any such funeral ceremony," the notice said.

The minister, it added, "shall not at such a ceremony in any manner defend, attack, criticise, propagate or discuss any form of government, any principle or policy of a government of a state, any boycott action, the existence of a state of emergency or any action by a force or a member of a force."

People attending funeral services would have to travel by vehicle and along a route determined by the divisional head of police in the specific area, the notice said.

The notice forbids the use of public address systems, and the distribution or display of flags, banners, placards, pamphlets and posters during funeral ceremonies.

The measures were implemented by Gen Coetzee under Section 6 of the emergency regulations.

Section 6 also gives the commissioner of police authority to set curfews, control traffic entering and leaving emergency areas, and to specify what information is allowed to be published about unrest in the affected areas.

Further on Boesak Criticism of Funeral Ban
MB311750 Johannesburg SAPA in English
1729 GMT 31 Jul 85

[Text] Cape Town, July 31, SAPA — Dr Allan Boesak, president of the World Alliance of Reformed Churches and a patron of the United Democratic Front, today warned the government that its latest decision to curb the size of funerals would create more "confrontation and bloodshed."

Addressing about 700 people — most of them students — at the St George's Cathedral in Cape Town, Dr Boesak also appealed to students to "conserve their energy" and use it "carefully".

"We should not just have confrontation for confrontation's sake", he said.

Dr Boesak specifically reacted to yesterday's announcement by the minister of law and order, Mr Louis le Grange, that funerals would in future not be allowed to be political gatherings and that the number of people attending them would be limited.

Dr Boesak said that funerals had from "time immemorial been special occasions for black people."

"It is a time for grieving and sharing of burdens, as well as affirming community togetherness," he said.

He admitted that funerals had become occasions of expressing political feelings about the government.

"Our people have died by their hundreds, not of illness or by accident, but because they were brutally murdered by the South African Government," he said.

"Therefore the funerals of these victims of apartheid now express the rightful anger of a whole people and are displays of unity and resolve, unique in our history and no doubt profoundly disturbing to the government."

Restrictions on funerals were "sure to cause more confrontation and bloodshed," Dr Boesak said.

"There can be no doubt in the minds of all thinking people that Mr le Grange is deliberately provoking our people, forcing them to challenge the awesome forces of his government so that they can be slaughtered," he said.

"It seems that this government wants bloodshed."

Dr Boesak added that "the world must know" that the South African Government would be responsible if this order caused further bloodshed.

"We do not have guns or armies and we do not put our trust in them. But we shall fight this government with all the power we possess.

"With weapons there is no defence against dignity, truth, a belief in the justness of our cause, and our unshakeable determination to be free.

"And we shall bring them down."

Arrests Reach 1,329; Police Report Incidents
MB010709 Johannesburg SAPA in English
0855 GMT 1 Aug 85

[Text] Pretoria, Aug 1, SAPA — Following is the unrest situation report for the period 8 pm last night to 8 am this morning, issued by the public relations division of the SAP in Pretoria:

"The total of persons arrested in terms of the emergency regulations is 1,329, 47 of whom have been released.

"The following incidents of unrest were reported overnight:

"At Mamelodi three delivery vehicles were stoned and looted. Police arrested six youths. No injuries were reported.

"At Langa near Uitenhage, a burnt-out LDV [light delivery vehicle] was found, and SAP and SADF patrols were stoned. The mobs were dispersed with tear smoke, rubber bullets and rifle fire. A black man was wounded and detained.

"At Ikageng, Potchefstroom, three people were arrested for intimidation.

"At New Brighton, SADF vehicles were stoned on a number of occasions. Seven arrests were made in connection with these incidents.

"At Galeshewe near Kimberly, two private homes were stoned. Police arrested one black male.

"At Phillipstown in the northern Cape, youths barricaded an entrance to the township and stoned an SAP vehicle and a private home. Six people were arrested in connection with these incidents.

"At Jethembuni (Prieska) a cafe and a beer hall were stoned. Police arrested 20 people."

Further Police Report
MB011055 Johannesburg SAPA in English
1046 GMT 1 Aug 85

[Text] Pretoria, Aug 1, SAPA — Following is the unrest situation report for the period 8 am to noon today, issued by the public relations division of the SAP in Pretoria:

"At Mtunzini in northern Natal, arsonists caused extensive damage to a school. Police arrested 12 black males.

"In Soweto, police vehicles and a private home were stoned. Police dispersed the mobs with tearsmoke, rubber bullets and birdshot. One black man was arrested.

"At Thabong, Welkom, the township police arrested three black males when they stoned these officials."

Two Suspected Terrorists Killed in Shootout
MB011109 Johannesburg SAPA in English
1106 GMT 1 Aug 85

[Text] Pretoria, August 1, SAPA — Two suspected terrorists and a black policeman were shot dead in a skirmish with police in the eastern Cape yesterday.

A police spokesman in Pretoria said two other suspected terrorists were wounded and another policeman slightly injured in the shootout on the old highway between King Williams Town and East London.

The two wounded suspects are in hospital under police guard.

After the incident a large number of loaded weapons of Russian origin were seized, on both sides of the Ciskei border.

Police suspect the group was on its way to main power station in East London to allegedly commit acts of sabotage.

The minister of law and order, Mr Louis le Grange, has expressed his appreciation to the Ciskeian police for their cooperation.

Regulations To Curb Graaff-Reinet Unrest Issued
MB010919 Johannesburg SAPA in English
0915 GMT 1 Aug 85

[Text] Graaff-Reinet, Aug 1, SAPA — The district commissioner of police in the southwestern districts, Brig Johannes Kotze, has issued a series of regulations to curb unrest in the area, SABC radio news reports.

The regulations, effective from today, apply to all population groups in the municipal area of Graaff-Reinet, the radio said.

Among other provisions, the regulations state that no pupil may be outside a classroom at any school or educational institution from 8 am until 2 pm on any school day without written permission from the police.

People who are not pupils and who do not work at educational institutions, may not be in the immediate vicinity of educational buildings, SABC said.

Attendance at Colored Schools in Cape Drops
MB311255 Johannesburg SAPA in English
1228 GMT 31 Jul 85

[Text] Cape Town, July 31, SAPA — Attendance at Coloured high schools in the Cape peninsula dropped as low as 20 per cent today, but more black pupils reported for school, SABC radio news reports.

A spokesman for the Department of Education and Training in Cape Town said about 10 per cent of black high school pupils attended school today compared with one per cent yesterday, and it was expected that 75 per cent would be at school tomorrow.

He said at one school more than 100 pupils held a meeting and agreed to encourage their friends to return to school.

Students at Two Durban Schools Boycott Classes
MB010838 Johannesburg SAPA in English
0832 GMT 1 Aug 85

[Text] Durban, Aug 1, SAPA — Protests against the state of emergency began today by two different groups of Durban students.

Students of the University of Durban-Westville start a week-long boycott of classes while M.L. Sultan College students launched at two-day stayaway.

Bail for 22 Persons Charged With Treason Denied
MB010927 Johannesburg SAPA in English
0909 GMT 1 Aug 85

[Text] Pretoria, Aug 1, SAPA — A Pretoria magistrate today said he had no jurisdiction to grant bail to 22 treason trialists, and told the accused their supreme court hearing would start in the eastern Transvaal town of Bethal in October.

The magistrate, Mr J.B. Koekemoer, decided that the certificates denying the accused bail were valid. The certificates were issued by the Transvaal attorney general on June 10.

Mr Koekemoer said that according to the certificates, he was not allowed to release the accused on bail or on warning. The accused, who include senior members of the United Democratic Front, have been charged with high treason, and alternatively on counts of terrorism and murder.

The magistrate said the supreme court hearing on the main charges would be heard from October 16 in Bethal, about 150km east of Johannesburg. The state has said it will call at least 200 witnesses and that the case could last for more than a year.

Counsel for the defence, Mr Ismail Mahomed, said he would file an urgent application for bail in the Pretoria supreme court, and said the application would probably be heard within the next two weeks.

Mr Mahomed said he would also request that the supreme court review Mr Koekemoer's decision on the validty of the attorney general's certificates, issued in terms of the internal security act.

Mr Mahomed had argued earlier in the Pretoria magistrate's court that the certificates were invalid becuase they had been issued before the arrest of the accused. According to the act, he said, a certificate must be issued after an arrest.

The magistrate said that although the AG [attorney general], Mr Don Brunette, had signed the certificates before the arrests, they had only become valid once they were presented to the court, which occurred after the arrests.

Mr Koekemoer said the magistrate's court had no inherent jurisdiction to decide on bail once the certificates had been issued, and that any review of the certificates would have to be heard by the supreme court.

He said the supreme court also had the jurisdiction to decide whether the AG had exercised his authority correctly when he passed the certificates.

According to the Section 31 certificates, bail was denied to the accused because it was alleged they posed a threat to the security of the country.

In the Natal hearing of 16 treason trialists in May this year, the Natal supreme court overruled the Section 31 certificates issued by the AG and granted the accused bail.

Most of the 22 accused in the Transvaal case, who include UDF General Secretary, Mr Popo Molefe, and publicity secretary, Mr Patrick Lekota, were arrested more than six months ago. They are to be held in Pretoria until the trial, Mr Koekemoer said.

Family and friends of the accused greeted them as they entered the courtroom guarded by about 20 policemen. Other supporters and a group of policemen stood outside the courtroom.

Law Society Welcomes Judges' Role in Emergency
MB311446 Johannesburg SAPA in English
1438 GMT 31 Jul 85

[Text] Johannesburg, July 31, SAPA — The Association of Law Societies has welcomed the announcement by the minister of justice, Mr Kobie Coetsee, that judges will be released from time to time to review the conditions under which people are detained in terms of the emergency regulations.

"The association appreciates the effort on the part of the authorities to ensure that in the circumstances the welfare of detainees is properly safeguarded," a statement by the association said.

ZAMBIA

Kaunda Hails French Sanctions Against RSA
MB311851 Lusaka Domestic Service in English
1800 GMT 31 Jul 85

[Text] President Kaunda has commended the French Government on its decision to impose mandatory economic sanctions against racist South Africa, in addition to recalling its ambassador from Pretoria.

In his message to President Francois Mitterrand, Dr Kaunda has congratulated the French president for what he has done to show his government's displeasure with the actions taken in the last few weeks by the South African regime against the black people of that country.

The president noted in his message that South African authorities have become used to verbal condemnation and regard these merely as the work of radicals deserving no attention on their part.

He said the United States and Britain should share the guilt and blame with South Africa for refusing to join the rest of the progressive world in imposing mandatory economic sanctions against the apartheid regime, as demanded by the majority of members at the United Nations.

ZIMBABWE

Finance Minister Addresses Parliament on Budget
MB301711 Harare Domestic Service in English
1403 GMT 30 Jul 85

[Budget address delivered by Finance Minister Bernard Chidzero from Parliament Building in Harare — live]

[Text] Mr Speaker, I move that leave be granted to bring in a bill to make further provision in connection with the revenue and public funds of the Republic of Zimbabwe, and to make provision for matters that are ancilliary and incidental to this purpose.

This year not only represents the 5th anniversary of Zimbabwe's independence it also marks the end of the 3-year transitional national development plan, which was launched in financial year

1982-83. The medium-term national development plan which is now at an advanced stage of preparation will be published in due course. However, the path that we set ourselves for the future as well as the decisions which we take now depend upon an understanding of the strengths and resources of our economy, which are evident from the economy's past performance.

Before presenting my proposals for revenue and expenditure for 1985-86, therefore, I consider it opportune to begin by briefly outlining the major economic issues dominating the past 5-year period, their relationship to budget policy, and planned performance. I will then give my assessment of economic prospects for the immediate-and medium-term period, which are dependent on the policies which we adopt now and in future. Finally, I will present to the house proposals for the public expenditures and required financing for the year 1985-86.

Mr Speaker, the period since 1980 divides itself into three phases, namely, the high growth period of 1980 and 1981, with good rains and existence of unusually favorable conditions arising from independence and the lifting of economic sanctions as well as from buoyant word demand for our exports. The period from 1982 to 1983, and to some extent spilling into 1984, was characterized by drought conditions, the world recession and poor economic performance, with almost all the major economic indicators falling below target, and the beginnings of recovery in 1984 and 1985.

The 1980-81 economic boom which resulted in growth averaging 12.4 percent over the 2-year period was fueled by generally high consumer demand, increased export earnings, arising from more trade opportunities, together with highly favorable commodity prices, facilitating increased foreign exchange allocations to industry. The period 1982 to 1983 coincided with the launching of the transitional national development plan, which covered the period 1982-83 to 1984-85.

In view of the economy's past performance and the high rate of growth which had been achieved during 1980 and 1981, the target growth rate of 8 percent set in the transitional national development plan appeared to be achievable at the time. However, by the end of 1981, apart from the fact that the special conditions existing at independence were no longer existent, the economy became subjected to factors which had not been foreseen at the time for plan preparation: the drought, which persisted for 3 successive years during the 1981-82 season [as heard], the world recession, low-levels of export earnings, and a continually deteriorating balance of payments position, which necessitated drastic cuts in import allocations. Between 1982 and 1983, therefore, the economy registered an annual average decline of almost 3 percent in real terms. By the beginning of 1984, the persistence of the drought situation which had substantially reduced agricultural output necessitated projected imports of food to the tune of 340,000 tons for maize and 120,000 tons for wheat during 1984 and early 1985. At the same time, the deteriorating balance of payments position continued to give cause for concern. It was against this background that I introduced a number of exchange control measures in March 1984, and framed the 1984-85 budget. The situation for 1984 as a whole, which registered a small growth in gross domestic product of 1.3 percent, shows improvement, thanks to the following factors: an unexpected good harvest, despite the drought, which boosted agriculture's contribution to the GDP and exports, and necessitated a much (?smaller) than expected volume of maize and wheat inputs, and improving balance of payments position, as a result of a combination of prudent policies adopted by government since 1982 and an improving world economic situation, albeit still small and uncertain. But because of the poor performance since 1982, the economy registered an estimated average annual decline rate of around 1.5 percent in real terms over the 3-year plan period compared to the target growth rate of 8 percent.

Over the 5-year period from 1980 to 1984, the annual average growth rate has been less than 1 percent, despite the high growth rate in 1980 and 1981. As a result, per capita income in real terms fell by a total of 4 percent from its level in 1980 up to the end of 1984.

I would like, at this moment, to highlight some of the major issues which have either acted to constrain the economic growth, and/or have been symptoms of the poor performance of the economy. These issues include the poor balance of payments performance, as has already been mentioned, high rates of inflation, low investment, poor employment performance, and the terms in material production economic indicators versus non-material production. I will subsequently outline the major issues relating to budget policy.

Mr Speaker, the target of 8 percent growth rate was based on expectations of the availability of sufficient foreign exchange to enable large imports of machinery and equipment and raw materials to support the required investment in both the private and public sectors. Despite expected increases in exports, the balance of payments current account was targeted [word indistinct] deficit throughout the plan period. The deficit would be financed primarily from inflows of development assistance. During the 3-year plan period, however, exports consistently fell below target, due to drought and the world recession. At the same time, there were large outflows in the form of services and imports. These plans were not matched by adequate levels of inflows of development assistance, thus necessitating heavy reliance on commercial borrowing.

The deteriorating balance of payments position, coupled with an increasing external debt service ratio, therefore acted as a major constraint on growth performance over the plan period. Realizing the effects that continued cuts in import allocations to industry would have on output and growth, government has since 1982 adopted a number of measures directed towards improving the balances of payments position. These include the devaluation of the Zimbabwe dollar and its subsequent depreciation, the pursuance of an export-promotion program through the export revolving fund and the export incentive scheme, restrictive external borrowing policies, and exchange control restrictions.

As I have already indicated, these measures contributed to a much improved balance of payments position in 1984 and early 1985. Thus earlier this year I was able to announce an increase in import allocations for the second half of 1985 by 30 percent, and a relaxation of the temporary exchange control measures, which I announced early in 1984.

Turning to inflation, by the end of 1981 the high level of consumer demand arising from the conditions at independence had begun to exert pressure on the capacity of the economy to produce. The rate of inflation, therefore, which had initially fallen in 1980 to a level of 7 percent, rose almost to 14 percent. Despite the income restraint policy introduced at the beginning of 1982, and the price control system in operation, price inflation has been persistently high since 1982, rising to a peak of almost 20 percent in 1983. In 1984, however, the rate of inflation which averaged 16 percent, was contained at a lower level than in 1983, reversing the trend which had been set since 1981. This was so despite the exchange control measures introduced earlier in the year, which were expected to result in a rapid expansion of the money supply, thus increasing inflationary pressures. In part, the rate of inflation was contained by the adoption by government through the reserve bank of a number of monetary policy measures to counter the expected expansion of money supply arising from the inflow of funds into the banking sector, consequent upon the introduction of exchange control measures.

During the first few months of 1985, the trend that was started in 1984 has continued, with inflation further slowing down to a rate of around 10 percent. The most worrying feature about the trend in the rate of inflation has been its effects on the lower income family groups in relation to higher income groups. Since 1980, the consumer price index for lower income urban families has risen by a total of 85 percent up to the end of 1984. This, in some sense, has acted counter to government's policy to increase the real income at the lower end. The high increase in the rate of inflation for lower income families has, to a large extent, come about because of the importance of expenditure on foodstuffs for this income group. Because of the implications on the size of the budget, and the fact that subsidies do not necessarily benefit those who most need assistance, it has been necessary to reduce and/or eliminate subsidies on certain foodstuffs. This has been a contributory factor to the high increases in the consumer price index for the lower income families. Such effects, however, occurred once and for all, and will have (?disappeared) once the policy goal has been achieved.

An additional factor contributing to increases in food prices has been the need to encourage food self-sufficiency, through increased production. Agricultural pricing policy has so far been the major instrument used to achieve this goal. Thus, food prices have tended to rise in face of increasing producer prices.

Mr Speaker, in addition to the redistributive effect of inflation, rising prices tend to have adverse effects on the balance of payments, particularly if our prices rise at a faster rate than those of our trading partners. Such a situation erodes the competitiveness of our exports. The devaluation exercise, as well as the export incentive scheme, was partly meant to assist to counter such effects. Inflation also acts as a constraint on growth generally. Thus, government will continue to adopt a mix of policies which minimize inflationary pressures in the economy.

In order to achieve the 8 percent target growth rate set in the transitional national development plan, it was necessary that investment take place at a high level in both the public and the private sectors. Thus, the plan was based on a total investment program of 6 billion dollars. During the 1980 and 1981 period, growth in output was met primarily from the utilization of existing capacity — the bulk of investment-constituted replacement capital and the requirements of government's reconstruction of the war economy. Gross investment levels, even though not directed towards the creation of new capacity in any significant form, rose substantially between 1980 and 1981 by a total of at least 100 percent over the 1979 level. Over the 3-year-plan period, however, most public and private sector investment has fallen far short of targets.

Thus, for the plan period as a whole, total investment is estimated to have been less than 70 percent of the cumultive plan target of 6 billion dollars. In particular, there has been a marked decline in private sector gross fixed capital formation sicne 1982, and thus the share of public sector investment, albeit at levels falling short of plan targets, has increased substantially.

Mr Speaker, I would like to turn to the issue of employment, which has become one of the most critical issues facing the nation at this moment in time. Trends in employment since 1980 are indicative of both low investment levels and poor economic activity since 1982 as well as the limitations of the economy, given the existing structure to absorb large numbers of the labor force. Between 1980 and 1981, total employment in the formal sector rose at an annual average of only 2.7 percent compared to an economic growth rate of over 12 percent. Thereafter, employment declined between 1982 and 1983, such that even with an estimated increase in 1984 over the plan period, employment has increased by an insignificant proportion of less than 1 percent compared to a plan target of 3 percent. Since 1980, therefore, a net average of only 7,000 jobs per year has been created in the formal sector. In view of the large number of those entering the labor force each year, estimated to be upwards of 80,000, the the unemployment rate has increased substantially.

I shall return to this most disturbing problem in the course of my statement.

Mr Speaker, in order to build an appropriate base for long-term sustained growth and development, and for the creation of employment opportunities, an appropriate balance should be maintained between those sectors involved in the production of material goods and those primarily involved in the generation of services.

In the past, the trends in the relative performance of material vis-a-vis nonmaterial production sectors has given cause for concern. Contrary to the plan, which envisaged a faster economic rate for the material sectors than the nonmaterial sectors, most of the growth which has taken place since 1982 has been attributable to the nonmaterial production sectors. The material production sector, in fact, registered an overall decline between 1982 and 1984. The same trend is also reflected in employment levels. Between 1981 and 1984, while employment in the nonmaterial production sector grew at an annual average of 5.3 percent, that for the material sector actually declined at the rate of 1.4 percent annually, on an average.

The reasons for the poor performance of the material production sector in relation to the nonmaterial production sector include: the greater responsiveness of the material sectors to

factors which have contributed to a poor economic performance and the inevitable result of the policy to redress imbalances in the availability of economic and social services, in line with the growth-with-equity philosophy. But above all, given the fact that private sector investment has been low and given the structure of public investment necessitated by equitable distribution and the ravages of the war economy, gross investment in the material sector has been at a particularly low level, while that in the nonmaterial sector has been increasing.

Turning now to budget issues, Mr Speaker, the budget is a major instrument of economic policy, which can be used to mobilize resources and direct them in the required direction to achieve development objectives. The effectiveness of this instrument has been constrained to some extent by the poor performance of the economy, which I have alredy discussed, resulting in lower revenues than expected. An additional constraining factor has been the low levels of inflows of development finance, which were expected to finance a large proportion of the public sector's investment program over the plan period.

After rising sharply between 1980 and 1982, in response to the 1980-81 economic boom, revenue receipts have since remained at unsatisfactory levels. This situation has rendered almost impossible government's policy to structure current and capital expenditure so that the revenue at least equals current expenditure and borrowing can be incurred only to finance capital expenditure.

Because of poor economic performance since 1982 and mounting inflationary pressures in the economy, government has since pursued a policy to cut back on its expenditures. However, there has been real difficulty in cutting back on recurrent expenditures, and this has meant that cutbacks have largely fallen on capital expenditures, which have themselves largely consisted of maintenance of existing programs. This situation, Mr Speaker, has acted as a constraint on the role of the budget to direct investment into areas which generate revenue and contribute to long-run sustained growth in development. During the transitional period, government has made significant strides in providing the economic and social infrastructure needed for development. It is necessary, however, that the growth of social and economic infrastructures be maintained at a level where they can be sustained though sufficient expansion of revenue and employment-generating areas. This is going to necessitate significant restructuring of public capital expenditures in the medium term, and I intend to do this through carefully streamlining the public sector investment program for each year, within the context of the medium-term national development plan.

Because of the poor performance of revenues and of difficulties of cutting back on expenditures, the budget deficit has been persistently large in relation to our financing capabilities. This has caused much concern, particularly as we have not attained the objective to borrow only to finance capital expenditures. Needless to say, when borrowing is incurred to finance recurrent expenditures, a large budget deficit tends to exacerbate inflationary presssures in the economy. Further, the lower levels in influence of development finance has necessitated substantial commercial borrowing from both the domestic and external market.

This has tended to increase the debt repayment burden and our external debt [word indistinct], with adverse effects on the economy as a whole. As I have already mentioned, performance in 1984 was better than initially expected. The achieved growth of 1.3 percent was primarily led by agriculture, which grew by almost 13 percent, as a result of the better than expected season. The mining sector, which has been showing positive growth since 1982, after a period of decline, grew by more than 4 percent in real terms. Because of continued low levels of import allocations, the manufacturing sector continued to lag behind the recovery, registering a decline in real terms of almost 5 percent [words indistinct].

In response to the good rainy season, the volume of sales of most major agricultural crops increased for the period up to April, compared to the same period in 1984. The mining sector also continued to maintain recovery with a total value of mineral production for the period January to April, exceeding the figure for the same period in 1984 by almost 80 percent.

Despite continued low levels of foreign exchange allocations, there are signs of recovery in the manufacturing sector, indicating the sector's response to the improved demand conditions. For the period January to March, the volume index of manufacturing production rose by more than 9 percent.

In the statement which I gave in May, I indicated the prospects for an improved balance of payments position in 1985 and 1986. Figures so far indicate a trade surplus for 1984 of over 200 million dollars, twice as much as the surplus in 1983. In view of the good agricultural season as well as continued efforts to promote manufacturing exports, I expect the trade position to improve further in 1985. I must caution, however, that the present world recovery taking place is still slow and uncertain and untoward changes in its direction could have adverse effects on our economy.

The increased import allocations in the second half of 1985 as well as favorable demand conditions should result in positive growth for the manufacturing sector in 1985-86. During the coming year, therefore, I expect that both manufacturing and agriculture will make a significant contribution to growth. The mining sector's output, which is largely dependent on external demand conditions, should also increase substantively.

Given these circumstances, real growth in 1985-86 should be anywhere between 3 percent and 5 percent. Mr Speaker, I have deliberately outlined the economic issues facing the country since 1980, as I believe that future prospects for the economy are not independent of the actions that we take in the area of economic policy, and the effectiveness of these will be a based on an understanding of the major constraints which have been in operation in the past.

I have spoken of the economy having been subjected to factors which are to some extent beyond our control: the external balance, subject to world economic performance, and the drought situation. In the medium-term, our ability to restructure the

economy such that it is less responsive to these factors is limited. Our policy must therefore aim at realistic targets which take into account the possibility of the occurrence of these factors and measures to counteract and minimize their effects.

It is in this context that the export promotion program which has been in operation since 1982 is being continued. It is also in the same context that I introduced the drought levy in the 1984-85 budget in order to build up a national drought insurance fund, which would assist in financing drought-related programs. I will come back to the issue of the drought when I introduce my budget proposals.

In the long term, however, our policies should aim at generating self-sustaining growth, which can be achieved through major structural changes in the economy's production (?virtues). This entails the building up of local technological capabilities and increasing the linkages between production in various sectors and in developing our own resources.

I have spoken of the problem of investment. In both the medium term and long term, we should aim at maintaining the right balance between savings and consumption in order to create a capacity for generating maximum internal savings to finance required investment for growth. As far as the budget itself, this policy is reflected in my continued pursuance of the objective to at least balance revenues with recurrent expenditures. There is a certain amount of access capacity existing inthe economy, which in the next couple of years, should be utilized to increase growth through a relaxation of the constraints which I have already discussed. I have, however, spoken of the inability of the existing capacity, given the economy's structure, to create sufficient levels of employment, as indicated by performance during 1980-1981.

There is, therefore, a need not only to undertake replacement investment, but to undertake additional investment into new areas, which are employment generating and contribute to self-sustaining growth. I have already stated my intention to use the public sector investment program in this regard. There will be a need to clearly identify the investment priorities in the context of the national plan currently being prepared, propelled on by sustained mobilization of domestic investable resources and the judicious attraction and direction of foreign investment.

With these thoughts in mind, Mr Speaker, I can foresee the economy achieving a moderate rate of growth in the medium term of, say, 5 percent, which can be accelerated in the long term and rendered self-sustaining. The country has the natural and human resources to do so, and through a judicious adoption of policies, an appropriate combination of domestic and external financial resources can be generated to finance required investment.

Turning now to the 1984-85 budget, at the time of presentation to this house in July 1984 I estimated that total expenditure inclusive of net lending would be 2,811 million dollars. Total revenues and grants would be 2,163 million dollars, thus giving an estimated budget deficit of 648 million dollars. The first supplementary estimates earlier this year increased the estimated expenditure by a total of 43 million dollars. But the second supplementary estimates increased the figure by 126 million dollars. Together with an additional allocation of 9 million dollars for constitutional and statutory appropriations, total estimated expenditure and net lending for 1984-85, therefore, went up to 2,989 million dollars.

With an unchanged estimated revenue position, the estimated budget deficit therefore rose 826 million dollars. Of the total estimated expenditure, recurrent expenditure constituted 2,474 million dollars, capital expenditure 263 million dollars, while net lending and investments constituted a total of 252 million dollars. The out-turn for total revenue exceeding grants was 2,131 million dollars, turning out to be better than the original estimate of 2,100 million dollars.

This is indicative of the economic recovery taking place, of which I have already spoken. I must warn, however, that the out-turn figure is only 10 percent higher than the figure for 1983-84, giving the same nominal increase as for the previous year. This reinforces the need to be cautious about the economic recovery, which is still slow and uncertain, and therefore its impact on revenue receipts also uncertain.

I have taken into account this uncertainty in estimating the revenues for 1985-86, and have accordingly continued as far if possible the restrictive expenditure policy, particularly with regard to recurrent expenditures. The out-turn for international aid grants like the previous year turned out to be better than the estimated. The out-turn figure for 1984-85 has been 81 million dollars compared to a budget estimate of 63 million dollars. This is reflective of our increasing capacity to implement projects and therefore of improvement in aid utilization. The situation is encouraging, in view of the financing problems which have so far been encountered in relation to slow processing and implementation of development-assisted projects.

There has been a small saving of 1 percent on recurrent expenditure, with the out-turn amount of 2,440 million dollars, compared to the estimate of 2,474 million dollars. The recurrent out-turn figure, however, still exceeds the total revenue grants figure by 10 percent, as in 1983-84. This indicates continued departure from the policy which I have stated on several occasions, and have reiterated earlier in this budget presentation, a policy to at least balance revenues with recurrent expenditure.

In comparison to previous years, however, the level of recurrent expenditure in 1984-85 has not been so disappointing and indicates a move in the right direction. The out-turn figure represents an increase of 10 percent in nominal terms over the 1983-84 figure, as against an increase of 28 percent in 1981-82, 25 percent in 1982-83, and 22 percent in 1983-84.

The freeze on public sector recruitment, which has been in operation during 1984-85, was effective in keeping the wage and salary bill down at satisfactory levels and assisted in the slowdown in the increase in recurrent expenditure. As the freeze is partially lifted in 1985-86, this item is unlikely to be a significant source of savings on recurrent expenditures, especially in view of recent adjustments in wages and salaries to take account the changes in real incomes. My ministry will therefore be looking to additional possible areas of saving, and will continue to maintain rigid control over recurrent expenditure, and will not enter-

tain increases in original provisions, except in cases where it is absolutely and demonstrably essential.

I must add, however, that the difficulties in cutting back on recurrent expenditure are compounded by the fact that certain of these expenditures are related to capital development programs, and it is undesirable to cut back on such expenditures.

The out-turn for capital expenditure exclusive of investments and net lending was 203 million dollars, representing 77 percent of the estimated figure, compared to 83 percent in 1983-84. This trend represents continued slow activation of capital programs in some areas, despite improvement in others, as I have already indicated, in relation to grants.

This situation is undesirable, if the budget is to be an effective instrument in directing the economy towards [word indistinct]. During 1985-86, and also in the medium-term period, my ministry will vigorously pursue ways to improve project planning, processing, implementation, and monitoring, so as to render the budget an effective instrument for development.

Total expenditure inclusive of net lending amounted to 2,845 million dollars. Thus, given total revenues and grants of 2,212 million dollars, the budget deficit amounted to 633 million dollars, much less than the estimated 826 million dollars. This position was achieved as a result of the better than expected revenue position, the small saving on recurrent expenditure, and a large saving on capital expenditure and net lending, as well as stringent expenditure control measures.

To finance the budget deficit, total external borrowings amounted to 223.3 million dollars. With repayments of 142.4 million dollars, net foreign borrowing amounted to 81.2 million dollars. This figure is 30.5 million dollars above the figure for 1983-84, but much less than the budget estimate figure of 126 million dollars. Mr Speaker, the remainder of the deficit was financed from borrowings on the domestic market. A worrying feature of domestic budget financing is the continued accumulation of overdrafts with the reserve bank. Of the 551.3 million dollars financed from domestic borrowings, an amount of 248.3 million dollars represents an overdraft, and this is an increase on the previous year's figure of 196.8 million dollars.

As a result of the inflow of funds from blocked accounts, the net advance to government was substantially reduced from 248.3 million dollars. This, however, constitutes temporary relief, as it is a once-off inflow. The accumulation of overdrafts to finance the budget deficit tends to be inflationary, particularly if borrowed funds are directed towards recurrent expenditures, as opposed to capital spending. Because of this, I intend to continue exercising control to keep the budget deficit within manageable levels and to improve the financing structure of the deficit as well as to vigorously pursue the policy to use the borrowed funds only for capital development programs.

Mr Speaker, I now turn to my proposals for the 1985-86 budget. I have allocated a total amount of 2,804 million dollars for recurrent expenditure, which represents an enormous increase of 15 percent over the out-turn for last year. A major factor contributing to the increase in recurrent expenditures in 1985-86 is the recently announced wage and salary increase on a sliding scale from 15 percent to 5 up to the maximum salary of 36,000 dollars per annum. Other factors contributing to the increase include the following: continuing losses incurred by parastatals necessitating subsidies, certain expenditures for the general election have run over into 1985-86, the security situation continues to be uncertain thus placing high demands on the public purse. There is also the need to expand the provision of community-based facilities in the rural areas.

However, in view of the still uncertain economic recovery and the reasons which I have already outlined, I have once again allowed allocations for recurent expenditures, primarily for the purposes of maintaining only existing programs. The total recurrent figure of 2,804 million dollars includes an allocation of constitutional and statutory appropriations of 564 million dollars and subsidies amounting to 310 million dollars. The biggest proportion of constitutional appropriations continues to be debt-related expenditures, which now amounts to 16 percent of total recurrent expenditure.

This situation underlines the need for the generation of savings internally and the need to carry out revenue-generating programs in order to increase our capacity so that such expenditures do not place an undue burden on our economy.

Last year I expressed strong concern about the large amounts of funds being allocated as subsidies to finance losses incurred by parastatals. The position in 1985-86 continues to give cause for concern. After allocating the total of 310 million dollars during the current financial year, a total amount of 99 million dollars is still outstanding as a result of previously incurred losses and interest incurred on debts with financial institutions in order separately to cover the losses. Thus once again before we enter the financial year 1986-87, there is already a sum of 99 million dollars which will have to be set against available public funds.

This situation is highly unsatisfactory and I am again appealing to parastatals and all ministries concerned to continue to pursue ways and means of making our parastatals more cost-effective instruments of development through maximum generation of revenues internally.

The largest spending ministries continue to be education; defense; lands, agriculture, and rural resettlement; health; home affairs; and transport. I have allocated 550.2 million dollars to education, which represents a 4 percent increase over the out-turn figures for 1984-85. The allocation includes a grant to private registered schools and colleges and the University of Zimbabwe amounting to 342.6 million dollars. Government will continue to look towards the increasing participation of local authorities and supporting existing education services, as well as with regard to planned expansion of these services.

Continuing unrest in the areas of Zimbabwe, the need to secure the country's transport links to the seaport, and the current size of our armed forces continue to retain the defense vote as the second largest. An amount of 457.8 million dollars has therefore been allocated for this vote which is a 16 percent increase on the out-turn for last year. However, it is government's intention to

continue efforts of scaling down the proportion of national resources being set aside for defense purposes.

I have made a provision of 237.4 million dollars for lands, agriculture, and rural resettlement. This includes an amount of 140 million dollars to cover the trading losses from marketing authorities. A sum 64.7 million dollars attributable to trading losses remains outstanding in form of arrears to be provided for during the next financial year. In addition, in terms of government's agreement with the agricultural finance corporation, we willl pick up their losses resulting from [word indistinct] farmers. The provision in this respect amounts to 13 million dollars. The rest of the provision for lands, agriculture, rural resettlement includes allocations for various programs to facilitate adequate agricultural production levels, the continuation of extension service particularly inthe communal areas, expansion of the tse-tse fly eradication program in line with the EEC agreement, and the expansion of dipping services.

As with education, government will be looking to local authorities and the community at large to make increasing contribution to the provision of health services.

The total allocation to the health vote amounting to 183.7 million dollars includes a grant of 35.7 million dollars provided to assist local authorities in this endeavor. A provision of preventive health care services has also been allocated to the tune of 25.7 million dollars.

The home affairs vote has been allocated 143.1 million dollars. This vote continues to be accorded priority in view of government's commitment to maintaining law and order and the need to continually orientate the police force towards providing an efficient service consistent with the requirements of the new order. The demands on this vote has been inflated by recent general election, as well as the accompanying massive national registration exercise.

The Ministry of Transport has been allocated 147 million dollars. This includes an amount of 88 million dollars for subsidies of which 60 million dollars is for the national railways of Zimbabwe, 12 million dollars for Afritel. After these allocations, there still amounts outstanding in the form of arrears of 27.9 million dollars in respect of the National Railways of Zimbabwe and 6.5 million dollars in respect of Air Zimbabwe.

The labor, manpower planning, and social welfare vote has been allocated an amount of 39.9 million dollars, which is a decline of 38 percent from the out-turn in 1984-85.

As the demobilization exercise is almost complete, only an amount of 1 million dollars is now needed to bring this exercise to an end. The provision of public assistance in the form of drought relief has also considerably reduced, given the changed weather situation. However, increased levels of expenditure have been provided for the country's rehabilitation program and vocational training training centers. This indicates the commitment by government to the upgrading and expansion of the country's skilled [word indistinct] and the needs of the disabled.

I have allocated an amount of 69 million dollars to assist mining and manufacturing firms experiencing problems, which amount is considerably reduced from last years's allocation with the onset of recovery and expected improvement in the performance of most companies. Due to the strategic importance of ZISCO [Zimbabwe Iron and Steel Corporation] the company needs maximum support by government to assist it through the cash flow problems it has been experiencing, in order that it gets on the course to increase its linkages with local industries, as well as to continue to make substantial contributions to export earnings. The bulk of the funds, provided for assistance to mining and manufacturing firms therefore, like last year, will go through ZISCO during the current financial year.

Mr Speaker, the successful operation of the export incentive scheme is indicated by the increasing utilization of this form of assistance by more firms producing for export. Thus, during the supplementary estimates I presented to the house earlier this year, an additional provision of 4 million was allocated towards the export incentive scheme, bringing the total allocated for 1984-85 to 19 million dollars. This amount was fully utilized during the last financial year. For 1985-86, I have allowed a provision of 18 million dollars towards the export incentive scheme.

Mr Speaker, I turn to the proposals for the public sector investment program for which a total provision of 800 million dollars has been allowed. In nominal terms, this amount represents an increase of 7.4 percent of the total allocation for 1984-85, which was 745 million dollars, including supplementary estimates of 26 million dollars.

In view of the current rate of inflation, the public sector investment program for 1985-86 represents a cut in real terms which is upward of 3 percent over last year's provision. This contradicts the [word indistinct] to increase public investment to a level sufficient to facilitate restructuring in favor of productive revenue-generating activities. The major source of the relatively low provision for the public sector investment program is with respect to programs funded through all resources from parastatals and public institutions. This provision has fallen from 286 million dollars in 1984-85 to 222 million dollars during the current year. This trend reinforces what I have already said with regard to the need to render our parastatals revenue-generating, rather than loss-making, institutions. Government's total contribution to the public sector investment is expected to be 578.8 million dollars, an increase of 119.8 million dollars over last year's provision of 459 million dollars. Of the 508.8 million dollars, an amount of 268.3 million dollars will be finacned with external resources. The proposed public sector investment program was prepared within the framework of the medium-term national development plan which, as I have already mentioned, is currently under preparation. Thus, the 1985-86 public sector investment program will be the operational tool for the 1985-86 annual plan to be detailed in the medium-term plan.

While the medium- and long-term objectives of the public sector investment program are to promote economic growth and employment through investment into growth for revenue-generating areas, in the short term provisions for the public sector investment program are constrained by the need to maintain

ongoing programs until completion and the continued limitations of funds available for public expenditure in general and therefore for investment. Last, a large proportion of the public sector investment program continues to be allocated for the social services sector and towards providing infrastructural service. These investments, although essential for development, should be matched by investments into revenue-generating areas.

As I have already mentioned, however, it is my intention to continue efforts in allocating higher levels for the development program and to restructure the development budget as reflected in the public-sector investment program so as to achieve a balance between investment in social services and infrastructure, and investment in revenue- and employment-generating areas in order that in the medium and long terms our growth pattern is sustainable.

Agriculture and rural development, as in previous budgets, continues to be accorded high priority. An amount of 145.1 million, constituting 18 percent of the total public sector investment program,has been provided for in this area. In giving high priority to agriculture and rural development, we are taking a determined stance in keeping with the decisions made at the recent 21st assembly of heads of state and government of the OAU on the economic situation in Africa, which stipulates, inter alia, that 20 to 25 percent of public investment should be in agriculture. Indeed we easily exceed this amount in view of the large volume of work being carried out as general rural infrastructure, particularly the work undertaken under the umbrella of the district development fund and water resources and development. The amounts allocated for these services in the 1985-86 budget are respectively 20 million and 54.4 million dollars.

Still on agriculture and rural development, I have already spoken about the effects of drought on our economy, necessitating that we made concerted efforts to find ways to minimize thse effects. As part of the efforts in this regard, the irrigation fund which I made reference to last year was launched on 30 April this year under the auspices of the agricultural finance corportation. The supplementary estimates of expenditure for 1984-85 included an allocation of 5 million dollars to this fund. In the present budget, an amount of 16 million dollars is being provided for the carrying out of projects under the fund which has benefited from counterpart funds arising from food aid programs. In addition, an amount of 3 million dollars has been allocated under the Ministry of Lands, Agriculture, and Rural Resettlement for the purpose of irrigation support services to enable to communal and resettlement farmers to utilize the fund. The national water master plan to which I made reference last year will be finalized during the current year.

The rest of the agricultural and rural development budget will go toward the following: enhacing grain storage facilities, providing credit and marketing facilities, improving farming methods in the communal areas, erradicating tsetse flies, and containing foot and mouth disease, increasing capacities for cattle slaughter and intake, and for deliveries of dairy produce to rural areas and towards the resettlement program.

Mr Speaker, I have already spoken about the problems of unemployment and the inability of former wage employment to absorb adequate numbers of those entering the labor force each year. At the time of the formulation of the transitional national development plan, it was expected that the resettlement program would progress at a sufficient pace subject to the availability of funds to supplement the industrial and commercial sectors as a source of employment. Due to financial and other constraints, the pace at which the program progressed has been well below target. In view of the alarming nature of the present unemployment problems, I intend to continue efforts through the public sector investment program to augment the financial resources available for this program in the medium term. During the current year, the provision of 24 million dollars has been made for this program.

The energy development budget, whose provision is 13 percent of the total public sector investment program, will go towards the continued development of the country's power resources and toward the distribution of electricity into rural areas. A provision of 105.1 million dollars has been made in this area. The parastatals operating in the area have the record of being self-financed. Most of the funds contributing toward the provision for energy will therfore come from the resources of the Electricity Supply Commission and the Central African Power Corporation, supplemented by external [word indistinct].

A provision of 99.3 million dollars has been made for transport and communications which constitute 12.4 percent of the total public sector investment program. Programs in this sector are geared toward the enhancement of services provided by the National Railways of Zimbabwe, the Post and Telecommunications Corporation, Air Zimbabwe, and the Zimbabwe Broadcasting Corporation, and toward the provision of more [word indistinct] and track roads and generally of a safe, broad infrastructure in the country. The high priority accorded this sector in the development budget is in accordance with the importance attached to the development of the sector on a regional basis as reflected in the goals of the SADCC and the programs being undertaken in the region.

The final report on the National Transport Study (?published) to make policy recommendations on the improvement in Zimbabwe's existing transport services and the formulation of a coordinated development program of the sector is expected to be presented to government later this year. The report is expected to provide information which should assist government in formulating a comprehensive policy on the development of the country's transport infrastructure.

The provision for social services, including education, health, technical traning, and other social services amount to 82.8 million dollars or 10.3 percent of the public sector investment program for 1985-86. I have already expressed concern about the balance between expenditure on the services against expenditure in other areas. As far as possible and without disrupting existing services, I have tried to keep the allocation for the service sector at a level which is in line with economic performance and a medium- and long-term objective to render the growth of these services sustainable through sufficient growth in material production.

Reconstruction and the national housing budget continues to constitute a substantial proportion of public investment. This is so because of the critical shortage of housing in urban areas and the need to assist with the provisions of a reasonable shelter of the large numbers of the population in the rural areas. A public sector investment program provision in this area amounts to 67.2 million dollars, of which 31.2 million dollars will be funded from external resources directed into ongoing programs and from new as well. This is also an area in which government is going to continue to look to the community at large to engage in self-help projects which would greatly reduce the cost of outlay and accelerate expansion.

Mr Speaker, the Zimbabwe Development Corporation, which was established by an act of parliament last year, is intended to be in the medium-term the government's major operational arm in promoting investment into development-oriented and revenue-generating activities and projects, either through its subsidiaries or directly in various sectors of the economy. Initially, the Zimbabwe Development Corporation will need substantial public support to assist in financing its programs. Eventually, however, it is intended by the corporation to generate enough income from its operations and those of its subsidiaries to finance its activities.

During the current financial year, I have made a small provision of 3.2 million dollars to enable the Zimbabwe Development Corporation to get started on its operations.

The rest of the public sector investment program for 1985-86 will go toward the development of natural resources and the rural afforestation programs, and toward the programs of local authorities and general administrative services.

Mr Speaker, I now (?lay the estimates) of expenditure for 1985-86 on the table and term the financing proposals.

Mr Speaker, the current and capital expenditure program which I have just outlined, inclusive of net lending, implies a total amount of resources requirement by central government of 3,348.3 million dollars. Taking into account the new revenue measures which I will shortly announce, I estimate that the revenue receipts for 1985-86 will amount to 2,410 million dollars. International aid grants are expected to be 130.4 million dollars, thus giving a total for revenue and grants of 2,540 million dollars. Given the total expenditure for a resource requirement figure which I have just mentioned, this gives a budget deficit of 808 million dollars. I expect to finance the budget deficit as follows: the anticipated international loans give a net foreign inflow of 179.9 million dollars, while on the domestic market the anticipated net borrowing figure is 236 million dollars. The remaining 392.1 million dollars will be financed from a combination of both domestic and international loans which will be arranged in due course.

Before I come to my proposals for raising additional revenue, let me say that I am aware, as I have said in the past, of the various complaints which ahve been made or have been leveled against the existing structure of income tax, and notably its applicability to marriage as against single taxpayers. [Indistinct remark from gallery followed by laughter]

Because of the importance that government attaches to fiscal policy as a whole as an instrument for development and transformation, a commission of enquiry into taxation, as the house is aware, was appointed in 1983 and began its work in 1984. The commission is looking into all aspects of taxation and will produce its final report in the first half of 1986. However, we thought that certain issues, such as family taxation, land taxation, and indirect taxation were of sufficient importance to warrant immediate attention. The commission has therefore been looking into these priority issues as a matter of urgency so that government can be infromed in advance of the final report of the various options to enable decisions to be taken as soon as possible. The commission has now produced a interim report which covers various issues of personal taxations, including family taxation. The report is presently being studied by government. However, because of the complexity involved in the taxation systems, the interrelationships between various forms of taxation, and because of the impact introducing changes in the tax sytem on the final tax [word indistinct] for different groups in society and revenues as well as on the development [word indsitinct] I feel that it will be only when the final results of the commission are known that the full impact of certain options will be known. Meanwhile, however, I want to reassure all those concerned that all the relevant issues are under consideration and are being viewed with the seriousness which they deserve. [Applause and laughter]

Mr Speaker, turning now to my proposals for raising additional revenue, there has been almost no room for maneuver during the current year, thus placing heavy [words indistinct] of revenue increase on the prospects for a continued economic recovery. I am aware of the need to maintain a tax package combined with an appropriate expenditure pattern which assists in stimulating the economy. The modest measures which I shall shortly announce will raise an amount of only 43 million dollars in the total estimated revenue of 2,400 [as heard] and 13.7 million dollars from individuals is expected to have been collected by the end of September.

The drought insurance fund, which I referred to last year, has now been set up. Administrative arrangements are under way to transfer the relevant monies into the fund. Part of the money will go towards the irrigation fund, about which I have already spoken, while part [break in transmission] a full financial year. I intend to increase the company tax surcharge by 2.5 percent, to 17.5 percent, on tax payable in respect for the assessment year ending on 31 March 1985.

The basic rate of company tax will ramain unchanged at 45 [break in transmission] and an increase in the insurance abatement [word indistinct] will be included in th finance bill and are effective from 1 April 1985. In line with the Age of Majority Act, I propose to reduce, with effect from 1 April 1986, an age limit for determination of child (?taxes) from 21 years to (?18) years.

With effect from 31 July 1985, customs duties on a small range of items, including lubricating oils, greases, [words indistinct], and automatic (?baker) processing machines will be changed from the low specific duties on duty free to 20 percent ad valorem. In addition, I intend to raise duty on diesel fuels by 3 cents a liter,

that is, from 8.8 cents a liter to 11.8 cents per liter, also effective 31 July 1985.

The duty changes I have just mentioned should raise a total of just under 19 million dollars in additional revenue. There will be small increases in some excise duties to rais additional revenue amounting to 11 million dollars. Beer will go up by 1 cent a bottle [laughter], cigarettes by 1 cent for a package of 10, and spirits will go up by approximately 5 percent. These changes take effect from 31 July 1985.

With effect from 1 August 1985, I propose to raise the annual turnover figure for registrations as a registered operator to sales tax purposes from 20,000 dollars and more to 50,000 dollars and more. It is expected that this measure will boost revenue through more efficient collection. It is, however, as yet unquantifiable. It will be recalled that when government acquired [words indistinct] of external securities last year, I decided to exempt from the capital gains tax any payment made to the holder of such securities. I have, for revenue and administrative considerations, decided to withdraw this exemption in respect of those holders who did not accept payment in June 1984. What I have stated, Mr Speaker, is the basic policy. It should be understood, however, that this decision [words indistinct] that may be worked out.

Mr Speaker, in order to compensate for the effects of inflation, and in view of an improved balance of payments position, I have decided with effect from August 1985 to raise the (?travel allowance) to individuals from the current 360 dollars per year to 460 dollars per year. [Laughter] Mr Speaker, this measure [words indistinct] additional foreign currency outflow estimated at (?12) million dollars per year, will result in a small gain to the exchequer in the form of increased collections from the (?tax book) [words indistinct] holiday currency allowance which [words indistinct]. [Laughter]

Mr Speaker, I introduced that tax on holiday currency allowance last year, and that remains. The additional revenue here is expected to be 4 million dollars. Finally, I expect to receive an additional 3 million dollars arising from increased fees and charges for various service offered by government.

Mr Speaker, the budget is not without its [words indistinct]. In addition to the change in income tax surcharge, which I have already mentioned, arising from the end of [word indistinct], I am aware of the difficulties experienced by people suffering from various disabilities. With effect from 1 August 1985, I propose to exempt from sales tax orthopedic and other appliances to compensate for a defect or a (?disability), including spectacles, [words indistinct] and braille items. [Applause]

In addition, the existing suspension of duty on motor cars imported by disabled persons and equipped with special equipment for disabled persons will be changed from a 15 percent customs duty to duty free. [Applause]

In order to encourage investment into growth points, as designated by government, provision for refund of sales tax or import tax on goods of a capital nature purchased or imported an industry, including agriculture and mining for investment in growth points, will be made. This should assist in reducing input costs [word indistinct] operating in these areas.

In additon to the exchange control concession on (?holdiay currency) allowance, which I have already referred to, I intend to increase the customs duty free allowance for passengers' baggage from 100 dollars per passenger to 150 dollars. This will ease the effects of inflation and the reduced foreign exchange value of the Zimbabwe dollar.

Mr Speaker, I now lay the financial statement for 1985-86 on the table.

Mr Speaker, in concluding let me emphasize that our future prospects greatly depend on the actions which we take now and these actions, if they are to form a meaningful basis for future prosperity, should be based on lessons from our past, as well as the concrete situation we face and the socioeconomic goals we have set for our young nation. As we go through the [word indistinct] phase of recovery, we should bear in mind that the sustainability in the medium and long term will be subject to factors which include exogenous factors over which we have little if any control, as well as the measures which we adopt now (?for control) and development. I have emphasized the issue at investment levels and their structure. This issue is going to continue to be of paramount importance in framing national budgets in the medium term in the context of the national development plan. While the thrust of our policies is correct, the present imbalance between investment in nonmaterial and in material production sectors needs redressing so that fuller account than before is taken for long-run sustainability of our social services from the financing point of view as well as for the [word indistinct] gained from the (?employment) and their output, such as those from the education sector.

Indeed the employment trends which I referred to earlier give cause for concern. They constitute a development which cannot be viewed with any degree of complacency and which calls for redoubled efforts to (?reorientate) investment and public expenditure patterns [word indistinct] growth with employment lest the nation finds itself sooner or later with increasing thousands of educated jobless in our own streets and all over the world. More specially, I must emphasize that the reorientation of investment priorties and expenditure patterns, to achieve the balance about which I have been speaking, is a precondition to attaining our goals of socialist transformation.

Mr Speaker, that having been said and finally, I must also emphasize that much as been achieved, much more than seemed possible, and we are poised for greater achievements. Our socioeconomic objectives are as tenable as ever, (?towards) the socialist thrust of our policies, (?and) borne fruit, and vindicated (?itself).

Let therefore the year of consolidation be also the best way to redouble these efforts toward the attainemnt of the nation's set goal. I thank you. [Applause]

Government Urged To 'Eliminate' Dissidents
MB010756 Harare Domestic Service in English
0600 GMT 1 Aug 85

[Text] A ZANU-PF senator, Comrade Mudhomeni Chivende, has called on the government to use military machinery to eliminate dissidents in Matebeleland.

Comrade Chivende, who is also the governor of Mashonaland West, told parliament yesterday that the results of the recent general elections in Matebeleland North and South Provinces did not reflect the true wishes of the people. He said that people there were forced to vote for PF-ZAPU by dissidents.

Comrade Chivende said the political approach to the dissident menace is to declare a 1-party state, adding that the ruling party was given that mandate by the masses during the recent general elections.

The ZANU-PF member of parliament for Mutare Urban, Comrade Edgar Tekere, said the eradication of dissidents is long overdue. He called on all members of parliament to unite and pass a bill to change the Lancaster House constitution which divide Zimbabweans along racial lines.

Political Education Urged for Police, Army
MB010657 Harare Domestic Service in English
0500 GMT 1 Aug 85

[Text] The governor of Masvingo, Senator Dzikamai Mavhaire, has called for a political education campaign for memebrs of the police and army on the socialist ideology of the ruling party. Comrade Mavahaire told the House of Assembly yesterday that some senior officers joined the forces during the days of Rhodesia and that some have failed to adjust in line with the people's aspirations. He suggested refresher courses as an initial step to guarantee that officers are loyal to the party and government.